THE FINANCIAL POST

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The Nation's Business

P.M's London Mission Marred by Politics

Prime Minister King's visit to Britain has not started too well. There has been sharp and well merited criticism of his selection of press representation, there were boos among the cheers when he addressed Canadian troops stationed abroad.

Right from the start of the war there has been a strong suspicion that Mr. King has been laying far too much stress on party politics; that he regarded himself too much as the head of a party government, rather than one representing all Canada. That suspicion will not be allayed by his exclusion of all Canadian newspapers but one from his official entourage on his present mission. This restriction to a newspaper which has slavishly supported the King government will be regarded in the same light as Mr. King's continued refusal to include any but party men in his wartime cabinet.

Unless we are very much mistaken the average Canadian is not interested in party politics at this time. His whole attention is focused on the country's war effort. His criticism, as represented by the boos of the troops in Great Britain and the continuance of challenging editorials throughout all but a partisan minority of Canadian newspapers, is not directed at the Liberal Party nor the head of that party but at the lack of efficiency of Canada's war effort.

Mr. King cannot complain he is unsupported. The vast majority of Canadians, including the troops in England, are eager to get solidly behind him or any other leader who will play his full part, who will forget politics entirely during this critical period and devote his whole energy to putting our contribution to victory on a well planned and most efficient basis.

* * *

TEETH FOR WAR SUPPLY

Reorganization in the Department of Munitions and Supply as outlined by The Post's Ottawa correspondent this week is a step that public opinion will heartily endorse. Teeth are to be put into the supply end of the business to ensure that makers of munitions, ships, planes and other equipment for war do not lack vital raw materials.

A score of more or less independent controllers only loosely organized are now to be concentrated under one direction. Need for such co-ordination was seen right from the start of the war and readers will recall that The Financial Post has continuously advocated such a move. Finally a board was appointed but it lacked the three main essentials of success. It was too large, it had no real authority and, of greatest importance, it had not the confidence of the public or the minister to whom it was responsible. The reorganization now proceeding should eliminate these faults.

It brings us closer to the ideal setup of a non-political administrative head of the country's war effort, a head whose single responsibility would be war production.

The present plan also embraces the civilian side of the picture by increasing the authority of the Wartime Prices Board. Hitherto this body has used little more than advisory powers. Now presumably it will exercise real control over prices with the double objective of keeping down living costs and preventing inflation.

* * *

UNFORTUNATE PUBLIC RELATIONS

Even from the partial evidence so far submitted to the Royal Commission investigating the recent Arvida tie-up it is abundantly clear that this crisis took the public, the Dominion authorities and perhaps the management of the company concerned completely by surprise. This dangerous strike, which cost the Empire war effort 32 million pounds in vitally needed aluminum, came as a bolt from the blue. It illustrates once again the urgent necessity of better public relations on the part of every industrial corporation.

No management of any company let alone one concerned with the production of war materials can afford to let a situation get out of hand. This is no time for appeasement or pussyfooting to a few labor agitators in an attempt to evade issues which almost everyone knows cannot be evaded.

These companies must take the public into their confidence, keep public opinion continually informed. By so doing there will be much less danger of discontent developing which at any time and without warning may flare into a crippling tie-up. Trouble among a few keymen in any plant may easily tie up thousands of workers, may bring operations in a whole string of allied industries to a complete stop.

* * *

IS GAS RATIONING BEST POLICY?

An important point in considering further restrictions in gasoline consumption will be the effect on government revenue. Of the $85.5 millions Canada's nine provinces extracted from motorists last year, about two thirds or over $56 millions was provided by the levy on gasoline. Now with a substantial Dominion tax added this proportion and total may be far higher.

If motorists are rationed to cut gasoline consumption by 25 or 50%, then presumably the revenue on this fuel will be proportionately reduced.

Because both revenue and a decrease in gas consumption are urgently needed it might be advisable to forget all about rationing and simply step up taxes still farther. Certainly not many cents would have to be added to the present levy to force curtailment in consumption, but up to a point there might be no reduction in total tax revenue.

Another very obvious advantage would be the low cost of such a move. Any scheme of rationing will mean the installation of complicated and costly machinery, whereas the tax could be increased indefinitely without adding one cent to the cost of present collecting.

* * *

LOST — 32 MILLION POUNDS OF ALUMINUM

A number of French-Canadian newspapers have been offended by the references to sabotage at Arvida. They have written stinging rebukes to the English language press for using the word. To speak of sabotage at Arvida, they suggest, is to impugn the loyalty of French-Canadian workers and the Catholic labor unions.

In attacking the English press, it would seem that the Quebec editors are aiming their shafts in the wrong direction. The person who spoke of a "suspected case of enemy sabotage" was the Minister of Munitions and Supply. Surely the press of Canada has a right to assume that the minister of the Crown who investigated a situation as important as the laying down of tools at the Empire's greatest aluminum plant knew what he was talking about, even if reckless charges of sabotage happen to be his besetting weakness. If French-Canadian workers were slurred, it was Mr. Howe who slurred them.

But the important point about the whole matter is not the fact that this strike took place in a province which happens to be largely French Canadian or whether or not it was enemy inspired, but that production of a vital war material was halted. Evidence before the Royal Commission this week indicates that 32 million pounds of aluminum were lost permanently by this tie up. This is exactly the same as having a warship sent to the bottom of the ocean by enemy action. Those who were responsible for the action of the men have a lot to answer for.

Can.Packers Profit is Lower

Net for Shareholders Off Fractionally Though Volume is Greatly Increased

For company review please see page 9

The problems of changing Canada from second place in the supply of bacon to Britain to an almost exclusive first in that market are a major subject in the 1941 statement of Canada Packers Ltd.

From the financial viewpoint, the change has meant an increase of 25.4% in value of sales, a 27.5% rise in the cost of livestock purchased, to secure a 19.5% increase in the weight of product sold.

For shareholders, the drop in earnings from $8.34 last year to $7.77 is balanced by the rise of some $620,000 in working capital, and the prospect of a 15% increase in British exports. Narrower profit margins, caused by the relative increase in livestock costs to sales values, is compensated by the wide margin of earnings over the current $4 dividend.

As a percentage of the sales dollar, livestock purchases have risen to 80.7 cents of the sales dollar from 79.1 cents last year, while the net profit left for shareholders has declined to 1.4 cents on the dollar from 1.9 cents last year.

The share of the various governments in Canada Packers' earnings is now equal to that of the shareholders—1.4 cents on the sales dollar. Comparisons of the distribution of the company's receipts are as follows:

Packers' Sales Dollar

	1941 %	1940 %
Sales	100.0	100.0
Cost of products, chiefly livestock	80.7	79.1
Cost of material & pkgs.	3.0	2.8
Salaries & wages, incl. bonus	8.1	8.8
Expenses: Selling, advertising, repairs, & gen. oper.	4.1	4.3
Bond interest	.1	.1
Taxes	1.4	1.3
Total cost of prod., plus exps.	97.4	96.4
Wartime inventory reserve	.3	.7
Depreciation	.8	1.0
	98.5	98.1
Profit from operations	1.5	1.9
Income from investments	..	..
Write-off of investments	..	..
Net profit	1.4	1.9

Records of the increase in hog marketings in the two crop years since the outbreak of war show a 42.1% increase, the first year, followed by a 31.3% increase in the second year. Record of these years, which run Sept. 1 to Aug. 31, together with an estimate for the coming year are as follows:

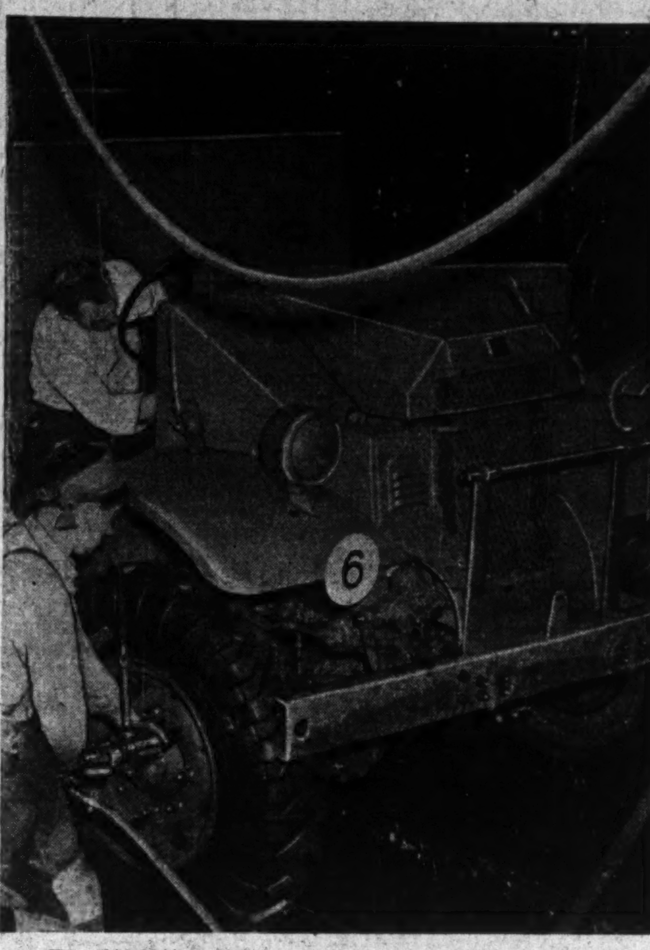
Crop Year Sept. 1 to Aug. 31:	Hog Marketings	
1929-1930	2,493,339	
1930-1931	2,334,320	
1931-1932	3,251,916	
1932-1933	3,097,048	
1933-1934	3,073,251	
1934-1935	2,975,316	
1935-1936	3,195,056	
1936-1937	4,141,158	
1937-1938	3,429,857	
1938-1939	3,264,856	
1939-1940	4,640,762	*42.1%
1940-1941‡	6,100,499	*31.3%
1941-1942†	7,000,000	*15%

*Increase over previous year.
‡August 1941 estimated.
†Estimated.

Throughout, the delivery of bacon to Britain has run into complicated

(Continued on page 2, col. 2)

Ford Makes 100,000th Army Unit



The 100,000th military vehicle produced by Ford Motor Company of Canada since the outbreak of war, rolled from the final assembly line of the Windsor plant early this week. Vehicles for military purposes include: special pattern military vehicles; Universal carriers, which are armored track-laying combat vehicles; conventional type trucks, station wagons and passenger cars, specially fitted for army use, and other units of the more than 20 different types of mechanical transport produced by the company. These Canadian-made vehicles have been supplied to the Canadian forces at home and abroad, and have been shipped by the tens of thousands to Great Britain, Africa, Australia, India, Malaya and wherever needed. The 100,000th vehicle is now on display at the Canadian National Exhibition.

Bottlenecks Still Slow Output

Machine Tools and Steel Short for Expansion of Nation's War Production

By STAFF WRITER

OTTAWA.—There are currently two important bottlenecks in Canada's munitions programme.

First the grave scarcity of machine tools to provide for new plant capacity.

Fortunately most of Canada's programme is looked after because we were early in the field. But it is the later orders, especially for tooling up heavy armament, which are definitely "sticky."

Second, the difficulty of getting steel to meet increased plant production.

In a score of items Canada's production schedules have been stepped up so sharply and are so far above original schedules that steel to meet this additional capacity is difficult if not impossible to obtain.

All along the line Canada is having to say "no" to additional orders until the picture clarifies on present commitments.

Present expectation is that Canada will reach the peak of munitions production about August, 1942.

A year ago, when Canada was getting "first wind" after the avalanche of orders following the fall of France, the peak was expected to be reached in September or October, 1941.

An increasing flow of additional commitments has steadily raised this curve.

New Control Set Up For Economic War

Canada Makes Sweeping Reorganization in Government Agencies for Management of Dominion War Effort

(For background of these developments see article below)

From Our Own Correspondent

OTTAWA.—Highlights of the new economic control machinery now being rounded out follow:

1. Granting of complete authority to the Wartime Prices and Trade Board, under the chairmanship of Hector B. McKinnon, in respect of price control. The single exception will probably be certain farm prices.

In other spheres the Board's new powers will be such as to permit (if required) the placing of a "ceiling" on all prices for the duration of the war.

R. C. BERKINSHAW

2. Enlargement of the Prices Board to include R. C. Berkinshaw, newly appointed chairman of the Wartime Industries Control Board, with provision for liaison with other control authorities in the Department of Munitions and Supply.

3. Prompt action in the near future to exercise new price-fixing powers in a number of key commodities which are currently causing much concern and which threaten to lift prices of many key commodities. (Lard and shortening are typical examples.)

4. Naming of R. C. Berkinshaw as Canada's czar of War Supply. Mr. Berkinshaw will be given complete authority in the Department of Munitions and Supply for all matters affecting war supply. He will be chairman, Wartime Industries Control Board; Director-General of Priorities; and Controller-General of the 12 wartime controllers now functioning or shortly to be named in that department.

Board to Disappear

5. Mr. Berkinshaw will replace R. A. C. Henry who, until his recent illness, was nominally "economics adviser" and responsible for the Industries Control Board and for the economics and statistics branch of the department. The defunct Wartime Requirements Board nominally under the chairmanship of Mr. Henry will disappear.

H. B. McKINNON

6. As well as holding full-fledged membership in the Wartime Prices and Trade Board, Mr. Berkinshaw will also be responsible for coordinating war supply with all other government departments—labor, foreign exchange, finance, defense, war services, etc.

7. The Wartime Industries Control Board under Mr. Berkinshaw will expand into a full-fledged authority charged with directing, planning and controlling all matters affecting war supply. Its membership will be expanded to include the chairman of the Prices Board or his alternate so as to give the utmost co-ordination between the two senior control authorities. It will expand into economic and statistical work and studies.

8. Control of civilian construction will be moved from the Priorities Branch and set up as another control office alongside steel, metals, power, machine tools, oil, motor vehicles, ship repairs, timber, chemicals and transit.

The newest appointee, Allan Williamson, who was this week named Controller of Supply, will have a "floating" brief to move in on any special area of supply where material or production must be curtailed or regulated to meet war needs.

Labor Situation is Quieter

More Use Made of Conciliation Boards

Trouble and tension along the labor front eased somewhat this week.

Developments were featured chiefly by conciliation board awards and settlements, setting up or requests for new boards, and spreading efforts to halt disputes short of strikes by enquiry and negotiation.

Only serious outbreak was the walkout of over 400 workers of the American Can Co. at Vancouver, servicing B. C. packers of fish, fruit and vegetables. At mid-week earnest efforts were being made to adjust the dispute with the aid of Government labor officials.

While latest statistics on strikes in Canada showed a pronounced increase in time loss and number of strikers in July, recorded time loss to date this year is slightly down and proportionately is only one-seventh that in the United States.

Principal new demand for conciliation proceedings came from the Canadian Westinghouse Co. plant at Hamilton, where the United Electrical, Radio and Machine Workers Union (C.I.O.) got a strike vote of nearly 1,500 workers as a legally required prelude to applying for a conciliation board.

At Kirkland Lake the dispute between the mine workers' union and operators of 12 leading gold mines in the area was reportedly assured of going before a conciliation board. Union miners recently rejected proposals of the Industrial Disputes Enquiry Commission, and staged a one-day "holiday" walkout to take a strike vote in support of their request for a conciliation board.

The mine operators have been advised from Ottawa, The Financial Post is informed, that a conciliation board is to be set up, but at mid-week it had not been officially established or nominations made of either the employers' or miners' representatives on the board.

A board has been set up to deal with demands of union employees of Morton Engineering & Dry Dock Co., Quebec. In the meantime, the Industrial Disputes Enquiry Commission continues to be active in settling disputes without either strikes or conciliation boards.

A notable case in which it functioned recently was in regard to the demands of union employees of Canada Packers Ltd., at the main plant in Toronto. Recommendations of the board were dealt with by the union group this week.

Settlements Made

Settlements through conciliation boards included those at the plants of Halifax Shipyards Ltd. and McKinnon Industries Ltd., a General Motors subsidiary in St. Catharines.

The award in the former case called for wage increases of five

(Continued on page 2, col. 3)

More Regimentation Coming for Civilians

By KENNETH R. WILSON
Staff Writer, The Financial Post

OTTAWA.—The pattern of Canada's new economic control machinery has now crystallized.

It will extend unavoidable regimentation into civilian and wartime areas.

It provides for a degree of economic planning not heretofore attempted.

It aims at the greatest possible coordination of new and existing control authorities.

The problem and its increasing urgency have long been apparent to those who have watched the sporadic growth of Canada's economic controls in the past two years. The new solutions, based on two years of war experience, will attempt to meet the imperious need for greater coordination and more careful planning on Canada's economic front.

Turned Down Plan

Behind this new programme lies the fact that the cabinet, a few days ago, side-stepped the recommendation for a separate Ministry of Economics.

Now the ball has been thrown back on individual departments to find ways to co-ordinate their efforts.

The elevation of Mr. Berkinshaw to supreme authority over supply in the Department of Munitions and Supply and the shifting of Prices and Trade Board from Hon. Norman McLarty to Hon. J. L. Ilsley have been the two chief factors in making the new control set-up possible. With the strengthening of these two main areas in Canada's economic control effective co-ordination is now not only possible, but highly probable.

One way in which the Wartime Prices and Trade Board hopes to increase the effectiveness of co-ordination is to enlarge its board membership to seven. In addition to Mr. Berkinshaw's membership, one seat will be left open for attendance at board meetings of the supply "controller" likely to be affected by board decisions.

Would Call Him In

If, for example, the price of steel is being considered, the steel controller would be invited to sit in as a member of the board. Since steel is primarily a war material, decisions on price changes would be made only after thorough discussion between Mr. Berkinshaw and his advisers, and the Price Control Board. Under the new set-up, it will be the latter board which will have the final say as to whether or not the price of steel may be increased.

As to prices generally, there is apparently no disposition at the present time to feel that a general ceiling must be placed on all prices although the board will probably be given power to take such a step if it is considered necessary. If such a step were taken the board would probably then sit as a board of appeal against its general order.

Specific Action

It is more likely that specific action will be taken on a certain number of materials and supplies which affect the price of important items and which have been pushing up the cost of "necessaries" of life.

The current protest of bakers against a meteoric rise in the price of lard and shortening suggests that this is one of the commodities which might be so treated.

If increased prices of agricultural implements, for instance, were thought to be pressing too hard on farm prices, a fixing order might be made in that area.

In respect to farm prices and commodities, the Prices Board already has a liaison with the Department of Agriculture through A. M. Shaw, who has been a member of the board for some time and who is also chairman of the Agricultural Supplies Board.

Daily Conferences

Whether final approval of the new Prices Control authority and extension will be obtained before Hon. J. L. Ilsley leaves for the west at the end of this week is not yet certain. Almost daily conferences have been held since he first took over direction of the board's activities.

Economic studies and planning by both boards will be greatly extended and enlarged. The Price Board announced last week the appointment of Mrs. Irene Spry as economist on its staff. Some outstanding economic experts will probably be added to the Department of Munitions and Supply under Mr. Berkinshaw.

The War And Business . . A Weekly Round-up

Trade Pacts Doomed?

The recent Churchill-Roosevelt declaration concerning free access to the raw materials of the world is interpreted in Washington as spelling the end of current trade pacts. It is no secret, of course, that Washington was always violently opposed to the Empire Agreements of 1932 and was very successful in getting these moderated or broadened to include the United States in subsequent negotiations up to the outbreak of the war.

Since then, of course, there has been a further let-down, notably under the present Lease-Lend Agreement. While full details of this arrangement have never been clear, it seems certain that the United States is now exporting to Britain under Lease-Lend certain products that were largely reserved for Empire Trade in pre-war trade pacts.

The war has taken the emphasis entirely off tariffs and places it on geography. Britain can no longer afford to be interested in materials half way round the globe if they can be obtainable nearer home. With greater need and fewer ships the short north Atlantic haul gets the priority.

Undoubtedly after the war consideration will again be given to Australia, New Zealand and other distant parts of the Empire. But it is expected that the new agreements to come will be far more sweeping in tariff reductions and far broader in field than even the extremely wide pacts signed just before the outbreak of war.

* * *

Combat Friction Tales

Plans are being discussed in Washington for more effective combatting of friction stories charging misuse of Lease-Lend by the British. The claim that loaned tankers were being used to bolster U.K. commercial trade while American citizens were being deprived of gasoline is the latest example. Evidence exists, says Whaley Eaton, that many of these stories emanate from Axis sources and worried Washington officials hold that they should be met by answers more dramatic than the general denials from London.

President Roosevelt apparently started the ball rolling at his press conference this week when he vigorously denied that there had been any misuse of funds by Lease-Lend recipients.

* * *

Western Farm Income

The Dominion Bureau of Statistics and private reports to The Financial Post indicate that western farm income in the last half of this year will not be far behind that of the corresponding period in 1940 and the total for the years should be about the same. This is well above the average of recent years.

For the first of 1942, however, a considerable decline is expected. Reason is due to wheat deliveries.

Due to congestion last fall farmers were unable to deliver more than a portion of their crop immediately following harvest, much of the grain coming out last winter and spring. This fall, the crop is much lighter and elevators will probably be able to handle it all before mid-winter. However, shrinkage in wheat income is expected to be offset to a substantial extent by increasing revenue from livestock and dairying, especially hogs.

* * *

Our Reserve Army

Over 100,000 men have been drafted into Canada's reserve army since compulsory military training was established 10 months ago. Of these, almost one third have been French.

Approximately 80,000 of these men have received 30-day training and are now subject to recall for the duration. Some 60% of the first four months training class, it is reported, have enlisted for active service.

* * *

German Resources

By the end of this summer Germany will start eating into her reserves, Douglas Miller, former American commercial attaché in Berlin, writes in the September Atlantic Monthly.

Shortages of skilled labor, lubricants, certain alloy metals used in steel manufacturing, and textiles, will be getting increasingly serious from now on, states Mr. Miller.

This observer sees no substantial loot in Russia even if the present campaign is quickly successful. He points out that in 1917 and 1918 when the Germans were in full possession of the Ukraine they were unable to get any substantial amounts of grain for their home consumption. Russian riches, he says, are largely buried in the ground and it takes time to exploit them.

German casualties, states Mr. Miller, while probably less for the same period than in the first Great War, and no more than the general staff anticipated at the same time, largely consist of members of the fully trained pre-war army and practically irreplaceable. They are the backbone and operating nucleus of the present German war machine.

* * *

Americans' Reaction

Contacts with Americans spending their summer holidays here have led some Canadians to significant conclusions. For example:

1. Americans' attitude to the U. S. defense effort is definitely conditioned by what Canada is doing. There is extraordinary curiosity about Canada's war effort, but a feeling that anything their own country does need not exceed Canada's contribution.

2. Ignorance of what Canada is actually doing crops up invariably and the seeming coolness of Canadians toward the war never fails to arouse comment.

3. Central state Republicans have already "written off" Wendell Willkie as the next Republican presidential nominee. They consider him to be the logical successor to Roosevelt—the next Democratic presidential nominee.

Speedup in the Cookhouse

Mechanization of modern war has extended even into the mess halls and camp kitchens of the armed forces, and drafted a substantial volume of equipment from the makers of automatic restaurant equipment. For example, the Department of Munitions & Supply in the second three months of this year alone bought 155 potato peeling machines, 290 bread and meat slicers, and 125 electric meat mincing machines. All Air Force camp kitchens in Canada, the Department reports, are now equipped with efficient dish washing machines.

It is pointed out that use of such labor saving devices enables many men formerly tied up on irksome, lengthy chores to be assigned to more useful tasks more directly connected with military operations and training. However, there is apparently lots of dirty work for the boys to do, for the Supply Department reports buying in the first half of the year such items as 890,000 tins of special cleanser, 25,000 gallons of floor polish, 110,000 pounds of wiping rags, 150,000 pounds of cotton waste, 200,000 tins of shoe polish, and over 1 million brushes of all types, including button and shoe brushes. An order for one million pounds of laundry soap has recently been placed.

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Milestones

Dominion Bureau of Statistics reports current business activity "greatly surpassing" previous record level in 1929 . . . E. J. Johnson, of Montreal, appointed Director-General of the Industrial Security Branch, Department of Munitions and Supply . . . During July, Dept. of Munitions and Supply awarded 132 construction contracts valued at $7.2 millions . . . General war orders for week ending Aug. 12 numbered 3,452 and totalled almost $10.2 millions (previous week totalled $60.1 millions).

Hat News from EATON'S

A Famous Maker's Most Popular Model!

The Stetson **PLAYBOY**

One of the most consistently popular hats we have ever stocked, this lightweight fur felt by Stetson! Favoured by well-dressed men for year-round wear! We've just received our new Fall shipment, in handsome tones of grey, green, brown and blue-grey. Sizes 6⅝ to 7½. Each

6.50

Main Store—Air-Cooled Main Floor

T. EATON Co. LIMITED TORONTO CANADA

Can. Packers Profit Is Lower

(Continued from page 1)

price problems. In the first contract, Nov. 17, 1939 to Oct. 31, 1940, the average price at Toronto worked out to 8.77 cents per pound live weight, against an expected 9 cents.

Not only was the price lower than expected, but it was below the average of the five prewar years of 8.89 cents. But Canadian hogs were plentiful, and the Chicago price was 5.94 cents, so that it was clear that without the large British orders, Canadian producers would have been considerably worse off.

Price Problems

In the second contract, for the year beginning Nov. 1, 1940, the quantity shipped was stepped up from a minimum of 50,000 cwt. weekly to 70,000 weekly. In recognition of an apparent surplus of hogs, the price was cut from $18.02 per cwt. to $15.82, both prices for dressed weight at the Atlantic seaboard. But the price proved discouraging to producers, sows were marketed in Ontario and Quebec, and after six months the price had to be raised 5 shillings per cwt. by the British Ministry of Foods, to which was added bonuses paid by the two provincial governments and further successive increases amounting to $2.50 per cwt.

The picture was complicated from April on by rising U. S. prices, a tendency for producers to ship to the United States, a movement which the price increases were designed to halt, and which has recently brought a mandatory restriction on these exports.

Holding U. K. Market

In discussing the third contract, which is now being negotiated, J. S. McLean, president of Canada Packers, points out that two major considerations must be borne in mind:

First, that the price must be fair to Canadian producers, at a level to ensure maximum production.

Second, that it should in no way take advantage of Britain's pressing need.

On the grounds that this is Canada's war as well as Britain's, as pointed out by Mr. McLean, these points cannot be argued. The President also points out that maintenance of Canada's position in the British market is vital to postwar problems.

Before the war, Canada had an Ottawa agreement quota of 48,000 cwts. weekly in the British market. The nearest Canada came to filling that quota was 33,000 in 1937.

In the third contract, Canada is expected to ship 115,000 cwts. weekly to Britain, indicating a postwar surplus of 100,000 cwts. weekly for which, according to Mr. McLean, Britain will be the only outlet.

Referring to the period at the end of the war, Mr. McLean states:

"At that time goodwill on the part of the British Government will have a high importance for Canada.

"There is another type of goodwill still more important. That is the goodwill of the British consumer. In the past, Canadian bacon has held second place in the favor of the British housewife. Danish bacon came first.

"In this respect, the present is Canada's opportunity. 'Canadian' is now the only imported bacon the British housewife can buy. More than ever before, it is important that now, during the war, Canadian bacon should become established on the highest level of quality, flavor, and sizeability.

"Toward this objective a good deal has already been accomplished. In spite of difficulties in transportation (due to the slow speed of convoyed ships), Canadian bacon today stands higher than ever before in British estimation. The improvements have been brought about by co-operation between producers and packers under very expert guidance by officers of the federal Department of Agriculture. Though little has been heard of it, this is one of the most important and far-sighted achievements of the war period.

"In the carrying through of these contracts, the packing industry had a vital part to play.

"The packing industry performs a vital service in processing the livestock and distributing the resultant meat products.

"Its obligation is primarily to the producer. That obligation is:—to produce good meats by the most efficient processes, and to perform this service at a reasonable margin of profit.

"It can fairly be claimed the industry has measured up to these obligations. In the year under review an unprecedented volume of livestock was handled. The product was admittedly good, particularly the vital export product. The reputation of Canadian bacon in Great Britain today stands higher than ever before.

"The margin of profit for the whole industry is not known, but in the case of this company the margin was 1/7 of a cent per lb. For the total industry, it would perhaps not be higher than 1/10 of a cent per lb.

"Most of the anomalies which puzzle the producer are caused by the highly competitive character of the industry. Nevertheless, it is this highly competitive feature which is the producer's chief safeguard."

Foreign Exchange

During the week Aug. 19 to Aug. 25 there was no change in the quotation on the United States dollar at Toronto and Montreal which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Aug. 25

Australia	3.58	S. Africa	4.47
India	.3353	Hong Kong	.2835
N. Zealand	3.61		

Labor Front Steadier As Conciliation Sought

(Continued from page 1)

and six cents an hour plus cost-of-living bonuses, an eight-hour day and 44-hour week.

At St. Catharines, the company implemented a unanimous award of a board for living-cost bonuses without wage increases. Both plants are engaged in war work.

Also featuring the week along the labor front was revelation for the first time of details of the trouble at Arvida, Que., which led to the four-day strike of 9,000 aluminum plant and construction workers. The story was gradually unfolded as hearings got under way at Chicoutimi, Que., of the Royal Commission appointed to enquire into the outbreak, which, the probe was told, delayed production of 32 million pounds of aluminum when the smelting pots were "frozen up."

Move to end the coal miners' slowdown of production in Cape Breton, through action by the Departments of Justice and Munitions & Supply, was forecast in Ottawa reports early this week.

In the meantime, mine operators sought a showdown with the miners by refusing them admission to the pits unless they undertake to resume work at a normal pace.

At Trenton, N.S., work had been resumed on naval shells and other war materials in the plant of Nova Scotia Steel & Coal Co., but some of those who struck last week were still away from work.

Trouble at Vancouver

Labor trouble at the American Can Co. plant in Vancouver, largest operation of its kind in Canada west of Ontario, last week end threatened to cause widespread dislocation of British Columbia's food-packing industries and loss of crops and some of the salmon pack.

The entire crew of 435 workers at the American Can plant went on strike, demanding union recognition, higher wages and other concessions. Conciliation proceedings were started a fortnight ago, but these collapsed and efforts of the company to submit the case to another tribunal failed.

The strike came just at the peak of the canning season in British Columbia's important salmon, fruit and vegetable industries. Many operators have been working on a hand-to-mouth basis as demand for cans this season has exceeded all records.

The British government has placed orders here for a minimum of 980,000 cases of salmon and 1,600,000 cases of canned herring, representing total can requirements more than double those of last year.

It was estimated at least 12,000 tons of tomatoes would rot if the strike continued more than a few days.

Showdown in N. S.

With the apparent approval and support of the Dominion Government, Dominion Coal Co. is preparing for a final show-down with the "outlaw" conference of Cape Breton miners, whose obstructionist tactics have deprived Canada of about 600,000 tons of coal.

The company is demanding the workers state whether or not they are prepared to abandon their slow-down strike.

The company's action follows failure of the United Mine Workers of America (C.I.O.) to bring peace in the inter-union strife. Senator William Sneed, U.M.W. official and emissary of John L. Lewis has been unable to restore amity and reassert authority over the Cape Breton local unions.

Brief stoppage in operations occurred at three collieries of Acadia Coal Co. in Pictou county, N.S., when 15 employees of the power plant struck, throwing the three pits into idleness. About 1,200 men were forced to stop work because of the power stoppage. The men returned to work pending consideration of their claim for higher wages.

Arvida Probe

Before the Royal Commission on the Arvida case, A. C. Johnston, works manager at the Arvida plant, testified a cost-of-living bonus was granted workers Aug. 1 following the strike.

Commissioners made clear scope of the probe was restricted to determining conditions surrounding the strike. Decision on wage increases are being left to a concilliation board set up for that purpose.

It is probable the conciliation board will await findings of the Royal Commission before it starts its hearings on wage increases.

During the past week labor differences developed from another quarter of Aluminum Co. operations. About 100 workers of the Kingston plant of the company have requested a meeting with the management to present demands. The Kingston workers have also passed a resolution calling for a new deal for labor in Canada, and another supporting the stand of the Arvida workers in their dispute with the company.

The Kingston workers are asking on their own behalf wage increases of 10 cents an hour; time and a half overtime in excess of 40 hours a week, and double time for Sundays and holidays.

Strike Time Lost

Working time lost through strikes in Canada so far this year has been slightly higher than in the British Isles but vastly less than in the United States, according to figures issued by the Dominion Department of Labor.

In the first six months of 1941, says the department report, man working days lost through labor disputes amounted to 54 days per 1,000 workers employed throughout the country. The corresponding figures for the two other countries are reported at 35 days per 1,000 for Great Britain and 381 in the United States.

Figures on Canadian strikes in July of this year showed marked increases over both the preceding month and July, 1940, in respect to number of workers involved and the time loss. The July total of strikers was roughly three times as great in either comparison, and the man-working days lost was more than double the figures for July of last year.

The darkening of the strike picture in July came mostly from the four to five-day walkout of thousands of plant and construction workers at the big aluminum factory at Arvida, Que. Other important strikes were those of coal miners in Nova Scotia, at the National Steel Car Corp. plant in Hamilton, of foundry workers at Brantford and gold miners at Dawson City, Yukon.

Of the 29 strikes in July, 22 were wound up before the end of the month, but seven disputes involving 4,120 workers overlapped into August.

Totals to Date

Comparative strike figures for July and the year to date are:

STRIKES IN CANADA

	July 1941	July 1940	June 1941
No. of strikes	29	21	29
No. of strikers	21,860	8,563	7,320
*Time loss	48,572	21,186	38,143

*Man-working days.

First Seven Months

	No. of Strikers 1941	No. of Strikers 1940	*Time Loss 1941	*Time Loss 1940
Jan.	1,453	919	3,238	6,861
Feb.	1,787	3,041	7,514	12,749
March	1,135	1,989	3,515	14,490
April	19,406	13,839	75,430	64,914
May	6,292	8,590	23,926	51,122
June	7,320	6,837	38,143	38,827
July	21,860	8,563	48,572	21,186
Total‡	59,253	43,770	200,338	200,599

*Man-working days.
‡Gross figures. Revised final figures will be somewhat less because of overlapping of some strikes from month to month.

War Savings Drive Is Now Renewed

Second major drive in the War Savings Campaign will start after Labor Day with a western speaking tour of the Hon. J. L. Ilsley. Accompanying Mr. Ilsley will be D. B. Mansur, executive director of the Ottawa committee, who will assist in the organizing conferences that will be held with local committees at the time of the Ilsley addresses.

Emphasis is being placed on the industrial payroll plans, regarded as the weak link in the February campaign, which has apparently drawn too large a part of its contributions from other sections. A major objective is to bring home the importance of increased regular saving as a barrier to inflation.

More Paid Workers

Profiting by experience of the Victory Loan, organizing committees have been strengthened by the addition of full-time, paid personnel, who can concentrate on the War Savings Campaign without neglecting their own affairs. A heavy share of the drive will still be borne by volunteer workers, but the new arrangement should reduce the sacrifices demanded of these war workers, which in the previous campaign were in some cases regarded as excessive. Complaints from the volunteers themselves have been rare.

As previously reported in The Financial Post, timing of the drive will be staggered across the Dominion, to allow full concentration of energy on specific areas. Objectives will be set in terms of corvettes, tanks, guns and planes, as in the British War Weapons Week system.

Following his tour of the west, Mr. Ilsley will make a similar round of eastern cities, probably being in Toronto about the middle of September and going on to the Maritimes. Beginning Sept. 2, he will speak in Saskatoon, Edmonton, Vancouver, Calgary, Regina and Winnipeg, on the current leg of the campaign.

Toronto Rent Control Is Strongly Opposed

Rent control for Toronto this week loomed definitely in prospect. But indications were official steps to declare it a control area will be delayed to permit thorough study of all factors in the situation and consideration of property owners' objections to the proposal.

Control for Montreal is also forecast, but probably not until advent of the main renting season there next spring. Winnipeg is also in line.

The volume of complaints of rent increases in Toronto is said to have attained proportions that can no longer be handled by dealing with individual cases and issuing orders giving tenants relief direct from headquarters at Ottawa.

The Rentals Administrator, Mr. Justice W. M. Martin, has conferred with the Toronto Board of Control, executive body of the civic administration, and subsequently urged them to help in prompt application of control. The administrator hinted that he was prepared to apply control soon on his own resonsibility, should the board not reach a quick decision supporting such a move.

The majority of the Toronto Board of Control apparently wants to delay the matter for a few weeks at least, to allow time to go into the problem thoroughly and hear representations from the various groups involved.

The Toronto Real Estate Board and Property Owners Association have already protested against the move to make the city a control area.

In the meantime the principal renting season in Toronto is virtually over, majority of apartment and house leases dating from Sept. 1 and most tenants having already signed up for another year. Those feeling that rent increases are unreasonable will either have to appeal to the Rentals Administration directly at Ottawa or wait for application of rent control and seek relief from a retroactive order, reducing the rent to the level of whatever peg is decreed.

The administration of rental control and pegging of rents in various areas has now become largely a question of timing, The Financial Post is informed.

This timing depends not only on the extent of rent increases and volume of complaints, but on such data as can be collected showing extent of shortages of housing accommodation, the progressive expansion of employment in war plants and general industry, and the consequent influx of workers into the areas involved.

The increase in employment from war activity at various centres is difficult to appraise exactly, but a reliable estimate for Toronto is that the number of workers in war plants alone will show an increase of nearly 15,000 in the current year. The increase in the Toronto metropolitan area is set at about 25,000.

With vacancy ratio of rentable houses and apartments at an exceptionally low level in Toronto, a shortage of housing is rapidly developing, especially in the low and medium rent classifications.

The Toronto assessment department annual report for 1940 sets the ratio of vacant houses to all houses at only 1.78%; for apartments, duplexes, etc., at 6.8%; and for all housing units at 3.2%. Since these figures were compiled, however, the number of vacancies is estimated to have shrunk by 30% or more. This is especially so in regard to houses, the vacancy ratio of which rose in 1940 in comparison to 1939.

The assessment report notes that last year there were less than 5,000 vacant housing units available in the city, and that there were 17,000 extra families "doubling up" in houses designed to accommodate only one family. The report points out that should even half of the doubled up families seek to get a place of their own, "a very acute housing shortage would develop."

What the Provinces Get Out Of Gas Tax, Fines, Etc.

Provincial revenues from gasoline taxes, vehicle licenses and other fees from gasoline transportation ran over $85 millions in 1940 according to figures released by the Dominion Bureau of Statistics.

Total gas tax revenues of $56 millions were $3 millions higher than estimated for the Dominion-Provincial Conference; licenses brought in about $2 millions more than anticipated.

For the two major sources the provinces received nearly a third of their total revenues, about a fifth of the total provincial revenues coming from the gas tax alone. According to current estimates gasoline revenues are now down about 8% under the voluntary curtailment system and are headed for steeper cuts.

Also vulnerable to gasoline restrictions are license fees, particularly for private passenger vehicles which will suffer most under restriction. Whether restriction will result in cars being laid up cannot be predicted as yet; if it does, the removal of private cars will cut into $15 millions out of the $29 millions total now gained from licenses. The $15 millions of passenger car fees ranks first in the total of license revenues, followed by $8.2 millions for truck licenses, $2.2 millions for drivers' licenses.

Figures for the various provinces are shown in the accompanying table.

By Provinces for 1940
Thousands of Dollars

	License Fees, etc. $	Gas Tax $	Total $	Percent. Total † Prov. Rev.
British Columbia	3,222	3,760	6,982	20.22
Alberta	2,665	3,222	5,887	31.57
Saskatchewan	2,094	3,349	5,443	26.59
Manitoba	1,510	2,805	4,315	26.80
Ontario	9,633	26,608	36,241	37.55
Quebec	6,965	11,155	18,120	23.83
New Brunswick	1,418	2,104	3,522	35.44
Nova Scotia	1,630	2,875	4,506	36.90
Prince Edward Island	160	301	460	27.33
Yukon	4	......	4	
	29,301	56,179	85,480	

† For 1940, as estimated for the Dominion-Provincial Council, eliminating grants in aid and subventions paid by the Dominion.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Valleyfield, P.Q.	Aug.	Mills, Spence & Co.	4%	1960	$43,000	100.93	.....
District of Digby, N.S.	Aug.	Cornell, MacGillivray	4%	1942-55	23,000	100.61	.....

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Preferred Arrears Cut By Two Companies

Latest declarations on the preferred shares of Hamilton Cotton Co., and Canadian Bakeries Ltd. will reduce the outstanding arrears. Payment of 25 cents extra by Hamilton Cotton on Oct. 1, 1941, to holders of record Sept. 18, reduces arrears to $3.25 per share. The distribution of $2.50 per share by Canadian Bakeries, with the same payable and record dates, cuts arrears on that company's preferred stock to $2.50 per share.

Gas Dealers Go On Spot In Latest Restriction

Quotas set for retail gasoline distribution by the Oil Controller of 80% of the July total for August, 75% for the succeeding two months, appeared this week to have tossed the whole responsibility for gasoline rationing into the laps of service station operators.

Although priorities were listed, and distributing companies took immediate steps to assist their dealers in putting these into effect, one result was expected to be the favoring of regular customers at the expense of transient patrons, including U. S. tourists.

Against this, leading distributors have already experienced reductions in sales volume in one or two important centres that may make the quotas attainable without serious reductions or injustices. This step would seem to push further away the necessity of a rationing plan that would likely at least double the bookkeeping costs of the oil companies, together with a great increase in government auditing costs.

"Phoney" Shortage?

In the U. S., there has been difficulty in combatting a public suspicion that the shortage is "phoney." Likely fostered by Nazi agents, the U. S. attack on the gasoline policy, which is now a subject of Congressional investigation, appears to have only one semi-solid fact to go on.

This is the fact that current stocks of petroleum in the hands of refiners and distributors are not unduly low in relation to current demand, and the seasonal trend. But August is typically a hand-to-mouth month as far as oil inventories are concerned

A ten-days' supply would normally cause no alarm as a few tankers would soon replace the shortage. The inventory-building fall months are the bottleneck, and unless consumption is restricted, which cannot be accomplished overnight on the scale needed, in advance, there is every possibility that a rapid and painful readjustment would have to be faced at that time.

Pipe Lines Overvalued

There has also been some public misunderstanding of the extent to which the new pipe-line plans will ease the position. The big Plantation line, it is now announced, will take nearly a year to complete, and will then be able to supply a maximum of 90,000 barrels daily, allowing for the installation of extra pumps to the limit. This compares with a loss to eastern refiners of 400,000 barrels daily from the 50-tanker transfer.

Criticism of the Canadian and U. S. policies, as distinct from methods, seems to boil down to a complaint that action is not being left to the last minute. It marks the first time that democracies have been criticized for preparedness.

Market Opinions

Failure of the market to emerge from its recent rut is increasing the expectation of a reactionary trend in the near future. Strong technical support levels below the present range are regarded as promising that the decline will not be of wide extent.

Barron's, New York (The Trader): The stock market is coming close to a dead centre. Its condition reflects primarily an understandable wartime lack of conviction by both investors and speculators over what lies ahead in the next five or six months which is as long a time as the process of discounting the future usually involves.

While a lower level of prices may prove necessary to draw in effective buying power, that a period of long-term accumulation, not liquidation, is in process can hardly be doubted from the trend of activity in the Stock Exchange and from the relationship of stock and bond yields.

* * *

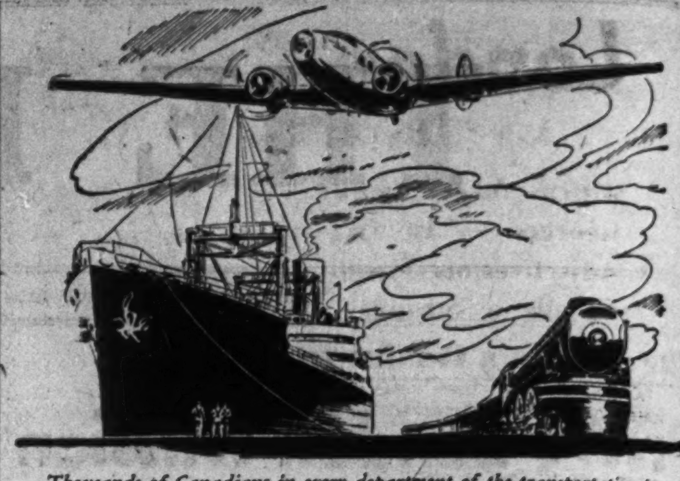
Magazine of Wall Street, New York:—With almost everything rising except common stocks, we don't see how a very plausible case can be made out for much deflation of the average market level even if inflation here is still around the corner.

Unless the market betters July highs fairly soon, further retreat will become likely. But a strong investment defense line is only a moderate distance down and we see no reason to assume it will be broken.

* * *

Brookmire Counselor, New York:—Following the advance in stock prices during June and July, the tendency has been irregularly downward so far in August. There has been no sizeable decline, nor has any heavy liquidation occurred.

But the tone has been less healthy—as is demonstrated, for example, in the fact that activity has centred mostly in speculative and specialty groups. Lacking the sound leadership that is ordinarily reflected in the backbone or basic groups of stocks, the market shows symptoms of a reactionary period.



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Canada's Bill for War In July $108 Millions

Arming of Canada's war forces got into high gear in July, expenditure shown in the Dominion treasury's monthly report of revenue and expenditure for July indicates.

Expenditure for war totalled $107.8 millions during the month. This was well above previous months, and $68.8 millions greater than outlay in July, 1940.

The July figure is, in fact, at the approximate average necessary to bring Canada's outlay on the war machine in 1941-42 to the budgeted minimum of $1,300 millions.

Trend of War Costs Up

In the four months ended July 31 war expenditure totalled $308.9 millions. This represents an increase of $196.1 millions over the corresponding period of the previous year.

Monthly reports on war costs have shown wide fluctuations, but the trend has been upward. It may be expected monthly figures will henceforth continue the trend as many projected war plants get into production and present capacity reaches greater productivity.

Revenue in July increased to $96.1 millions from $53.1 millions in the same month last year, a gain of $43 millions. Most notable increase was in collection of income taxes, which amounted to $30.5 millions. This was an increase of $24.7 millions, due to the government's installment method of collection. Normally, July is not a heavy month for the income levy.

Ordinary Costs Up

Despite the government announced policy of paring ordinary costs of government, total for July rose by $3.9 millions to $37.2 millions. Relief works, government enterprises and miscellaneous outgo virtually disappeared from the expense list during the month.

Gain in income tax collections also lead in the four months period ended July 31. Total revenue gained by $209.5 millions to $484.3 millions, while income tax accounted for $144.4 millions of the betterment.

All sources of revenue yielded more revenue, the second largest gain of $57.1 millions being in excise taxes, sales, stamps, etc.

Revenue and Expenditure

July — Revenue:	1941	1940	Change
	In $000's		
Customs	11,461	9,841	+1,620
Excise duties	8,646	7,007	+1,639
Excise, sales tax	39,311	24,823	+14,488
Income tax	30,539	5,802	+24,737
Post office	3,202	2,800	+402
Sundry	2,952	2,865	+87
Total	96,111	53,138	+42,973
Expenditure:			
Ordinary	37,167	33,263	+3,904
Capital	415	511	−96
War	107,752	38,999	+68,753
Relief works, etc.	1,364	1,744	−380
Govt. enterprises	33	.....	+33
Sundry	9	109	−100
Total	146,740	74,626	+72,114
Deficit	50,629	21,488	......

Four Months Ended July 31 — Revenue:	1941	1940	Change
	In $000's		
Customs	42,079	41,476	+603
Excise duties	32,047	28,317	+3,730
Excise, sales tax	121,484	64,411	+57,073
Income tax	267,978	123,591	+144,387
Post office	12,713	11,005	+1,708
Sundry	7,949	5,998	+1,951
Total	484,250	274,798	+209,452
Expenditure:			
Ordinary	126,688	121,008	+5,680
Capital	774	880	−106
War	308,936	112,848	+196,088
Relief works, etc.	2,436	4,705	−2,269
Govt. enterprises	165	11,331	−11,166
Sundry	34	240	−206
Total	439,033	251,012	+188,021
Surplus	45,217	*41,560	......

*Deficit.

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London Calling

By Atticus

Atticus in on Family Party With Lloyd Georges — He Offers a Paragraph of Adjectives on Dorothy Thompson — And Recalls a Strange and Wistful Young German

LONDON.—More than once in these notes I have remarked that the chief fascination of living in London is that in time everyone comes here. If that is not literally true it is no matter — the sense is there. Admittedly in wartime it is not so simple to reach this beleaguered island. The favored ones from America hop over in half a day, but others, from less far away, take months. One of the latter is General Daufresne de la Chevalerie, who assumes command of the Belgian forces in Britain.

* * *

Strange Journey

General de la Chevalerie is, of course, born to adventure. If it did not come to him he would seek it. He used to cross over every winter to hunt with the Quorn, he captained the Belgian jumping team at Olympia right up to 1939, he played polo all over the world, he dances well, and he plays a thrusting game of bridge. But at heart this good-looking cavalry officer of 50 years or so is a soldier. He was commanding a division in the line last year when the Germans attacked his country. For 18 days he never saw a bed and his exhausted troops were asleep on their feet. At last, with their ammunition practically exhausted, came the order to lay down arms.

Then commenced a fantastic series of episodes. At the order of the Germans he marched his division to Holland, only to find that the Germans there were too busy to pay any attention to him. So he marched his division back to Belgium and disbanded it. After a time he escaped into occupied France and found himself in the company of 15 fresh-complexioned British soldiers who had been given civilian clothes to help them escape. Dumas himself could not have improved on the adventures that befell them, but eventually the General reached Paris. From there to Spain, apprehended and sent back; later to Marseilles and in hiding. Then away on a crowded refugee ship, with little but black bread to eat and no particular destination. After many weeks of discouragements and adventures he reached America, flew to Newfoundland, and caught an American airplane going to Scotland.

Immaculate, good-humored, and speaking faultless English, he reported for duty and was appointed Commander-in-Chief of the Belgian forces in Britain.

* * *

A Vital Force

Another and most welcome arrival from the New World was Miss Dorothy Thompson. This brilliant and formidable lady possesses the political astuteness of a Richelieu, the wit of a Birkenhead, the democratic fervor of a Lincoln, and the personality of a thoroughly comfortable but active American woman. Hitler expelled her from Germany because she wrote the truth about his regime. Later, in New York, when the German Bund held a gigantic rally, Miss Thompson laughed at the most solemn "Heil Hitler" moment, precipitating a riot.

She is an out-and-out interventionist, believing that with all our faults it would be the end of everything if Britain fell. The essential strength of Miss Thompson is the bravery of her spirit and the simplicity of her emotions. Her flashing mind, brilliant as it is, really illuminates her soul and is its servant. I confess that I was not only impressed but fascinated by her. "Do the Americans still love England and dislike Englishmen?" I asked. She thought for a moment. "The Americans like you better than any other foreigners," she answered. Thus we must add tact to the armory of this lady's attractions.

* * *

Family Party

A contemporary chronicler such as the author of these notes must be careful never to betray what is private. Therefore I approach with some diffidence this description of a homely family scene which involved Lloyd George père, Lloyd George fils, and the latter's wife. As it took place in the House of Commons, perhaps it is not really bad taste to describe it.

The occasion was the winding-up of the food debate by Major Gwilym Lloyd George, the Parliamentary Secretary to the Ministry of Food. Earlier Lloyd George père had attended the ceremony where Gwilym was sworn in as a Privy Councillor. Apparently Mr. Lloyd George thought he might as well make a day of it, so when Gwilym began to speak at the dispatch-box in the Commons, Mr. Lloyd George gazed at him across the table from the Opposition Front Bench. In the gallery, by herself, sat Mrs. Gwilym Lloyd George.

Never did a Minister have so appreciative an audience. When Gwilym made a joke Mr. Lloyd George grew red with suppressed laughter, and the attractive hat of Mrs. Lloyd George was seen to tremble with approval. When the Minister was defiant toward the critics his father's hair bristled like a lion's mane. When he used logic his father looked around as if to call our attention to the new Demosthenes. And in all this my charming friend Mrs. Lloyd George obviously concurred.

* * *

A Fallen Enemy

That strange and wistful young German, Count Pückler, has met his death on the Russian front. It is not a moment to speak well of any German, but this good-looking, 30-year-old London correspondent of the "Deutsche Allgemeine Zeitung" did his best to warn the Nazis.

A year before the war he wrote his book, "How Strong is Britain?" and showed how the Empire would rally to the Mother Country with an irresistible strength.

When Dr. Kordt came as Counsellor to the German Embassy here in 1939, Pückler asked me to meet him at luncheon. Our conversation turned to the coming war. "I know these British," said Pückler to his compatriot, "and they always fight like a bulldog. They get their teeth in your leg, that's all. That leaves you one leg to kick with and two hands to pound the bull-dog's head and pull his ears. He won't care. He will endure the blows, but he will not take his teeth out of your leg. So at last you bleed to death."

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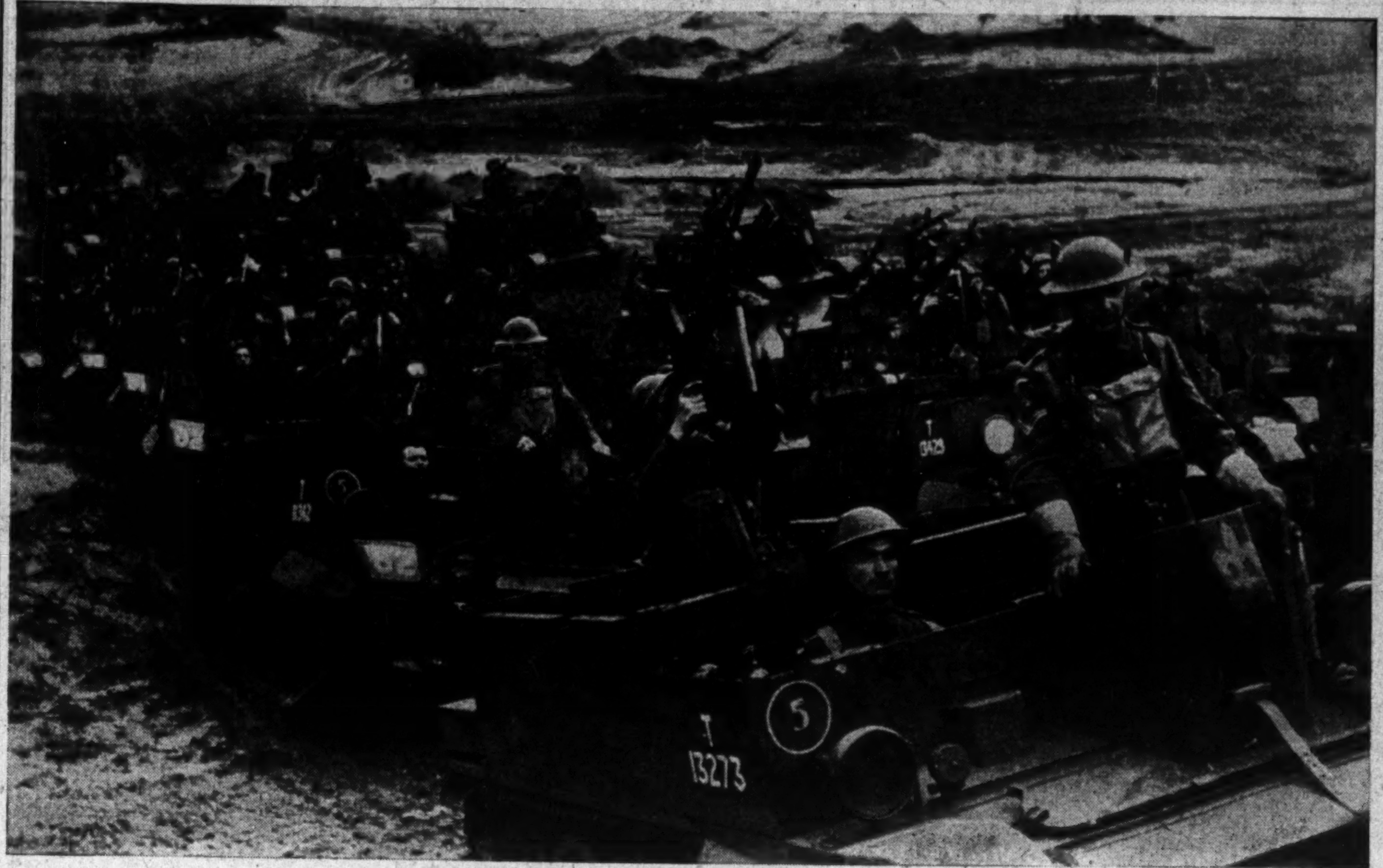
Canadian Mechanized Fighters On The Alert in Britain



Here is a group of Second Division carriers mounting a slope in a recent demonstration somewhere in Britain, Bren guns mounted high for training in repelling aircraft attack.

Keeping Posted . .

By JOHN C. KIRKWOOD

After the War?

What can Canada do to re-employ her soldiers, sailors and airmen when the war is over? Some suggestions made by Benge Atlee, a medical man in Nova Scotia, in his article in the Sept. 1 issue of Maclean's Magazine, are: Reforestation; slum clearance and replacement housing; the building of new schools; compulsory painting every five years of all wooden structures.

Dr. Atlee is very critical of the way Canada and Canadians are contributing to the winning of the war.

* * *

New Models

Since there are to be new 1942 models in the United States, Canada will have most of them likewise. In the United States car makers have agreed to "freeze" 1942 models for the duration. In both countries there will be a restriction of output—by 54% in Canada. This restriction applies to passenger cars, not to commercial vehicles. Also, there will be a cutting down in the number of models—from 147 in 1941 to 79 in 1942. This reduction will apply also to the number of color and upholstery options.

* * *

Gives Her Okay

Perhaps you have very definite views on the question: "Is it a good thing when young people marry impulsively, just as soon as the man dons a military uniform? Are they too young to marry?" asked by Adele White in September Chatelaine. What are the views of the girl, of the man, of the parents, of the O.C., of the padre?

The man must have the assent of his Officer Commanding. The wife's allowance is $660 a year, which includes $240 from her husband's pay.

Miss White has her own ideas. She says: "This generation will save the civilization of tomorrow, and deserves every ounce of happiness it can squeeze out."

* * *

Sea Stories

Most men devour stories about the Battle of Jutland, the victory over the Graf Spee, the sea fight off Greece, the sinking of the Bismarck.

There is an enthralling story of the pursuit and sinking of the Bismarck as told by "Bartimeus" in Maclean's Magazine; also, the scuttling of the Graf Spee as told by Admiral Harwood to Beverley Baxter at luncheon. Admiral Harwood says about the Germans: "They are all right when everything is going their way, but when things go wrong, they crack."

* * *

10,000 Stores

The A & P grocery chain operates upwards of 10,000 stores in the United States, or nearly 30% of all grocery chainstore units in that country. In 1939 it did 39% of all chain grocery business. Its total sales in its last fiscal year were $1,116 millions.

* * *

Thoughtless

The growing demand for special deliveries of milk by Toronto homes required one dairy to double the size of its switchboard and to add a second telephone operator.

But when the order from Ottawa went forth forbidding special deliveries of milk and bread, instantly phone calls from housewives ceased: they changed their bad ways overnight, thus showing that their habit of requesting special deliveries was wholly thoughtless.

* * *

Invasion Threat Not New

In view of the threat of an invasion of the British Isles, it is interesting to note in Hardware & Metal of Aug. 16 the history of Samuel Trees & Co., Toronto.

"When the volunteer movement was inaugurated, owing to the fears of a French invasion in 1859, he (Samuel Trees) was one of the earliest to respond in his native town."

Samuel Trees was at that time getting an early start in the harness and saddlery business in England—a business in which he was later to make a outstanding name for himself in Canada.

* * *

Not Much Gain

Your grocer is not prospering as a consequence of the public's increased spending power. Efforts made by advertisers of food products in the United States to stimulate the sales and consumption of branded products produced nothing like the amount of business expected. In one town where wages paid had increased 100%, there was only 8% gain in food sales.

C. P. R. to Improve Saint John Terminal

From Our Own Correspondent

MONTREAL.—Improvement work on Canadian Pacific Railway Co.'s West Saint John, N.B., terminal will be undertaken, D. C. Coleman, vice-president, has announced.

Trackage improvement will be made to facilitate handling of export traffic through the port.

IMPARTIAL TREATMENT

This trust company, uninfluenced by the importunities of beneficiaries, the clamour of relatives, or the mistaken advice of friends, administers an estate so that all concerned receive impartial treatment.

Appoint Montreal Trust Company Your Executor

MONTREAL TRUST COMPANY

Montreal Trust Building

61 Yonge Street Toronto

J. F. HOBKIRK, Manager

How to Advertise 'Futures' Feature at Conference

Most industrial selling and advertising in the past has dealt pretty much in tangibles. Manufacturers have had goods to sell and for the most part have had their eyes on next month's business. Today that is changing rapidly. It is due to change still further. People haven't got the goods to deliver; they have to deal in futures.

To deal in futures they must know something about them. Short-range objectives must give way to long-range objectives. Industrial marketing and advertising has to be of an entirely different kind.

These considerations are to be dealt with at the National Industrial Advertisers Association convention in Toronto, Sept. 17-19, by R. O. Eastman, pioneer market research expert and head of the Eastman Research Organization, New York.

Assisting will be Donald G. Cowan, director of commercial research, Republic Steel Corporation and past president of the American Marketing Association.

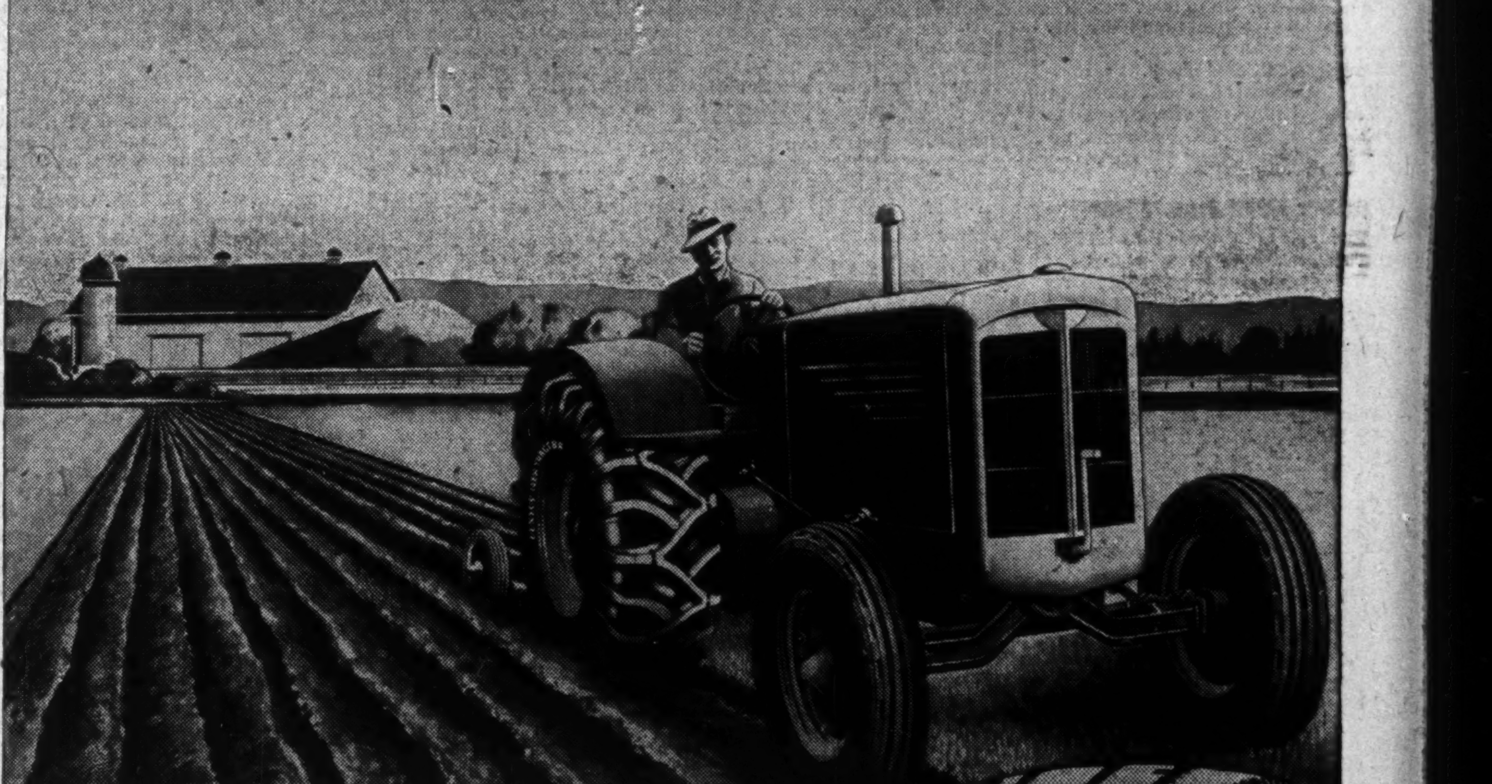
Another feature of the meeting will be "Information Plus," a parade of opinion on many questions of industrial marketing, selected from hundreds sent in as the result of the questionnaire to N.I.A.A. members. The first half of the sessions will be devoted to these questions and during the second half questions written on the spot by the audience will be taken up and answered.

Answers will be given by a six-man board, consisting of J. R. White, director of sales, Clover Mfg. Co., P. C. Sowersby, General Electric Co., A. M. Wearstler, Wearstler Advertising Co., Eldridge R. Haynes, Paul L. Callaghan, Truscon Steel Co., and G. A. Brace, Sales Manager, Ferranti Electric Ltd., Toronto.

Among special speakers at the conference will be L. W. Brockington, K.C., special assistant to the Prime Minister of Canada. His talk "Two Years of War" will be the first of a series that Mr. Brockington will make across Canada. It will be carried over major radio networks.

Another special speaker will be Air Marshal W. A. Bishop, V.C.

On to "V" Victory!



CANADA . . . Granary of the Empire

. . . pledges its fields to Victory

● Food for the Dominion . . . for the British Isles . . . for the Empire and its fighting men . . . here is a challenge that calls on every resource of Canadian Agriculture. In answering this challenge . . . in devoting every effort to production . . . Canadian Farmers are contributing vitally to victory.

Dunlop-Canada, too, is working on this home front by supplying to Canadian Agriculture the world's finest tires for farm use: the famous Dunlop Farm Tractor Tire with "the greatest grip on earth"; the Dunlop "Universal Trakgrip" for general purpose trucks; and the Dunlop "Extra Traction" for passenger cars and light trucks.

Ask your Dunlop Dealer about the famous Dunlop "Fort" with its 2000 solid rubber teeth. There's a Dunlop for every purpose at prices that challenge comparison in every price range.

Play safe. Specify DUNLOPS on your new car or truck

Fit DUNLOP

"THE WORLD'S FINEST TIRE"

Why Did Hitler Invade Russia?

Searle Grain Observers Doubt Food Needs the Reason

"Why Has Germany Invaded Russia?" The most accepted belief is that Hitler has been forced to try to secure from Russia some important materials which he now lacks, but which are necessary for his further prosecution of this war, says the Searle Grain Co. bulletin.

"There are many things which Hitler obviously lacks—rubber, cotton, wool, tin, copper, nickel, lubricating oil, high test gas for airplanes, and among foodstuffs, fats.

"Whether the present shortage of food in Europe and Germany is sufficient alone to warrant an invasion of Russia by Hitler, seems doubtful, judging at least from the calculations we have made and which we submit in this article.

"On the other hand Claude Wickard, United States' Secretary of Agriculture, holds the belief that millions of people in Europe under Nazi domination are even now on the way to starvation. This view of a shortage of food in Europe is also held by George Broomhall, of the 'Corn Trade News,' Liverpool, England. For on June 2 Mr. Broomhall gave his opinion that the crops of 1941 in Europe, even though safely gathered in, will not furnish sufficient supplies to maintain an adequate bread ration for all the European people during the coming twelve months. Mr. Broomhall thinks, therefore, that Germany is anxious to obtain the abundant wheat supplies open to her in the Ukraine.

8.8% Total Production

"Germany now controls some 19 countries in Europe (which countries for five years between 1934 and 1938 produced on the average an annual amount of 2,382 million bushels of wheat, rye and rice combined, and imported in addition a net average annual amount of some 155 million bushels, or an importation of about 6.5% of the total production). The same average annual production for livestock feeds again for these 19 countries, and including barley, oats, corn, soy beans and linseed, was 2,778 million bushels, with an additional importation each year of some 300 million bushels, or 10.8% of the total production, making therefore, a total importation of all grains for human food and livestock feed of about 454 million bushels a year, which was about 8.8% of the total annual production.

"While 455 million bushels of grain imported annually is a vast amount, yet 8.8% is not a very large percentage, and it would almost seem at first glance that this amount of grain could quite easily be saved if each person would but slightly 'pull up their belts' and consume that much less in their daily ration, and all without any particular harm to themselves.

If Any Left

"Both Mr. Wickard and Mr. Broomhall, however, probably are of the opinion that the Nazis would not adopt such a general policy by which each person would consume slightly less food, but that on the contrary Hitler would feed first of all the men in his armed forces probably a better ration than usual; and that next he would give a good ration to all industrial workers, particularly those making munitions; and that the balance of the people, whose work may be of no particular interest to the Nazis, might have to put up with a very serious shortage of daily food.

"It would hardly seem as though food for hungry civilians alone would warrant the Nazis taking the enormous risks of a campaign in Russia, particularly when we remember that in his book 'Mein Kampf' Hitler warns Germany above all never to engage in war on two fronts, that is in the East and West, at the same time; but this, of course, is precisely what he has decided to do.

"All in all, then, it would seem likely that it is a shortage of oil rather than of wheat and other foodstuffs that is the motive which impelled Hitler to invade Russia, for while with a shortage of food belts can be 'pulled up' and much the same work done, with a shortage of oil Hitler's war effort must be curtailed in proportion.

"During the last war the British successfully blew up the Russian oil wells. Should the Russians, if they are forced to retire, similarly destroy these wells during this war, Hitler would find himself most probably in a desperate situation indeed."

NEW FLIGHT CHIEF

O. T. Larson, who becomes Vice-President of Trans-Canada Air Lines, joined the staff of T. C. A. in the fall of 1937. His first task was to organize the line's Meteorological and Dispatch Departments—among the most important posts in the new service. He was made General Superintendent of T. C. A. in September, 1939. At 37 he is one of the youngest aviation executives on the continent.

CUT CONSTRUCTION COSTS!

FOR INDUSTRY

Speed the work of plant expansion with • J-M Built-Up Asbestos and Asphalt Roofs • J-M Roll Roofings • J-M Insulating Board • J-M Asphalt Tile Flooring • J-M Rock Wool Insulation • J-M Asbestos Wall Boards • J-M Acoustical Service and Materials for every requirement.

JM JOHNS-MANVILLE Building Materials

FOR THE HOME

Modern materials that protect against fire, weather and wear. J-M Cedargrain Asbestos Siding Shingles • J-M Asbestos and Asphalt Roofing Shingles • J-M Rock Wool Home Insulation • J-M Asbestos Flexboard and Wainscoting • J-M Decorative Insulating Board products.

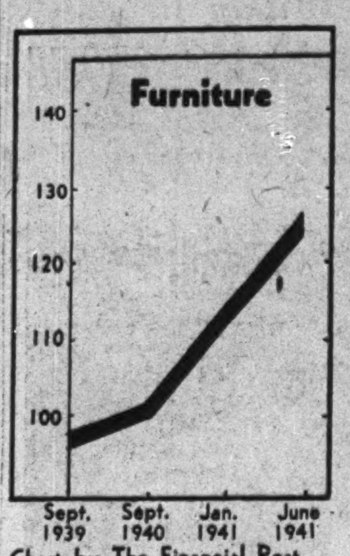
CANADIAN JOHNS-MANVILLE CO., LIMITED

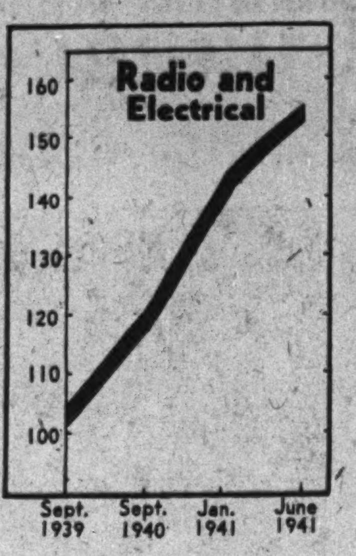
Mine and Factory - Asbestos, P.Q.

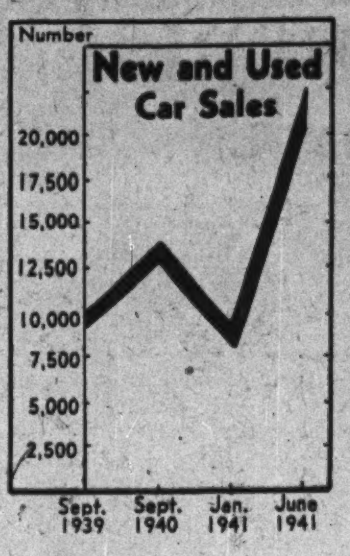
TORONTO MONTREAL

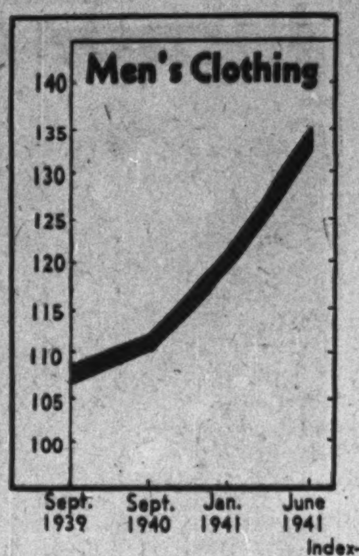
WINNIPEG VANCOUVER

These Charts Show Some Retail Sale Trends









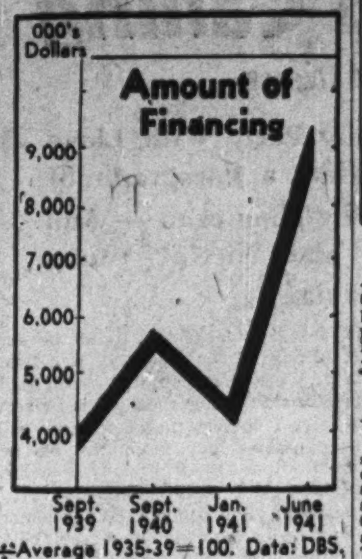


Chart by The Financial Post

Index—Average 1935-39=100. Data: DBS.

While data on current installment buying is not available the D.B.S. statistics of retail sales show substantial gains in a number of lines of merchandise where installment buying bulks largs. For instance, the D.B.S. index of furniture sales for the first six months of 1941 was 15.3% above 1940. Hardware sales were up 16.6%, radio and electrical equipment 14.7%, men's clothing 23.7% and women's clothing 19.6%.

Department store sales of furniture in July gained 18.1%, household appliances and electrical supplies 27.2% and home furnishing 19.6%. Sales of radios and musical instruments and supplies were up 20.6%.

Producers sales of radios have been showing a steady rise. Total sales in 1940 were 438,976 against 370,568 in 1939. Sales in the first quarter of 1941 were 77,121 sets against 71,503 in 1940 and 40,073 in 1939.

Automobile financing has also been increasing. The total number of new and used cars financed, that is sold on installments, in the first six months of 1941 showed an increase of 12.7% over 1940.

Investment Trends

Consumer Industries Face Crucial Period

Variety Likely to Be Curtailed With Volume Remaining Good in Most Trades — Packers Holds Its Ground

The transfer of the Wartime Prices and Trade Board from the Department of Labor to that of Finance, the appointment of a Controller of Supply to regulate production of heavy consumers' goods and the growing number of price and trade controls indicate rather a new phase ahead for the "peace industries."

But with the exception of retailers handling exclusively durable or imported goods, and producers of heavy goods who have not received war orders, the coming belt-tightening does not appear to carry any very drastic threats to equity values.

There may even be some improvement. With goods more standardized, the problems of production and the keeping of inventories will be simplified. Loss of luxury traffic cuts down the designing and eases the burden on purchasing departments without making appreciable inroads on volume.

* * *

Abandoning "War Babies"

In spite of important compensating factors, the consumer goods securities are coming in for anxious scrutiny. In most cases it has been found that the firms in which investors are interested are the larger units with the best prospects of surviving coming reductions. Chain stores, for example, have been able to show bigger volume increases this year than independent grocers as a whole.

Time will tell whether his attitude is justified or not, but one Toronto investment counsellor is now beginning a gradual programme of returning investment funds to the "peace" issues. He bases his action on the belief that war issues will reach their peak in business volume during the latter half of 1941 and the early part of 1942. The peace issues will in the same period experience the worst that is likely to befall in the way of curtailed production.

That doesn't mean that he is expecting the war to end in six months, or that he is plunging into the peace issue market without qualification.

* * *

Buy For Yield

Instead, he has estimated the effect of current taxes on future dividend policies, and has determined the yield which he regards as satisfactory. From here on, it's a question of waiting to see whether the anticipated belt-tightening brings prices down to the levels which he regards as reasonable purchase points.

That the time will come when a switch back into peace issues will be sound investment policy cannot be questioned. Up to now, a moderate emphasis on issues more directly connected with the war effort has provided additional safety. A sprinkling of war issues has been necessary to avoid the inroads of war taxes, to which Gatineau Power common fell victim this week.

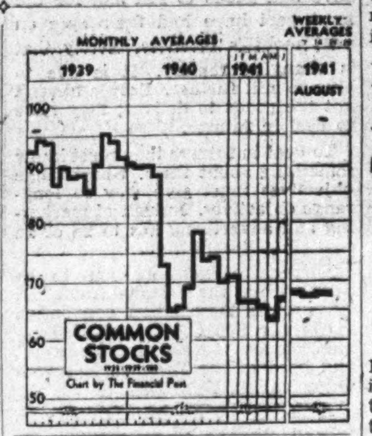
* * *

Packers Earnings Hold

The report of Canada Packers Ltd. calls attention to an issue that has thus far been able to navigate nearly as well in war as it did in peace. But the fact that net profit per pound of product fell to one seventh of a cent in the 1941 fiscal year from one fifth of a cent the year before reveals that the strong showing made by Canada Packers was a result of the 19½% increase in the volume handled.

Figures relating to Canadian hog shipments to Britain contained in the Canada Packers report indicate that as far as volume is concerned the coming year should show further increases. Against a pre-war high of 33,000 cwt. in British shipments, the exports in the year ended Aug. 31, 1940 totalled 50,000 cwt., the 1941 year is estimated at 74,000 cwt. and in the coming year the total for Canada is expected to be 115,000 cwt. per week.

The volume of this trade together with the heavy domestic demand in pork and other meats is the saving factor in wartime earnings of the packing companies. At the same time it is building up a record hog population that may leave Canada heavily dependent on outside demand in the postwar period. The Packers statement points out that the quality of Canadian bacon has been maintained, and it is hoped that this factor, together with the contributions made by Canada in the war will ensure a continued large British demand.



Abitibi Earns More in July

A drop of nearly 10,000 tons in newsprint shipments of Abitibi Power & Paper Co. in July was partly compensated by higher shipments of sulphite pulps, but brought earnings down to $775,152 as compared with $941,390 in July of 1940, and $718,109 in June, 1941. These earnings, taken before depreciation, income and excess profits taxes and interest, including interest on overdue interest amounting to $296,641, included $157,719 received as premium on U. S. funds.

Signs of improved activity appear in the statement that for August newsprint shipments are expected to run some 38,500 tons, against 36,825 for July. Last year July was the last of the three months in which shipments were all above the 45,000-ton level, and August shipments showed a drop from July of some 7,500 tons against this year's increase of nearly 2,000 tons.

The forecast of 9,000 tons of sulphite pulps for August marks an increase from the 8,144 tons shipped in July, the 7,220 tons in June and the 7,133 tons of last August. If the shipments live up to expectations, August will mark a new high for the war period in respect of sulphite pulps.

Hudson's Bay Taxes Soar

$1.2 Million Gain in Profits Wiped Out by U. K., Dominion Levies

The 272nd annual statement of the Hudson's Bay Co. shows an increase in trading profits to $3,419,000 before taxes as compared with $2,226,000 in the previous year. Jump of $1,250,000 in taxes brings net profits down $60,000 to $291,000 in the year ended Jan. 31, 1941. Total provision for taxes in both Canada and England now amount to $2,362,000 as compared with $1,112,000 for the previous year and $540,000 for 1938.

The same allowance for depreciation, $730,000, was made in 1941 as in the previous year.

Assets Up

Net assets increased slightly to $30,540,000 compared with $30,260,000 last year. For the second year in succession the profits earned by retail stores showed an increase, which together with gains in the wholesale department have resulted in the carrying over of $555,000 to profit and loss account and land account.

For the first three months of the company's year, the fur trade department enjoyed good business with the spring auction the best since 1929. Owing to war conditions the company will in future conduct its sales in New York instead of in London.

Unsold lands in the possession of the company on Jan. 31, 1940, amounted to $1,777,817 acres. During the year under review, 47,519 acres were sold, 30,192 acres reverted to the company under cancelled sales and 84,865 acres were written off. After other adjustments a total of 1,675,620 acres are shown on the balance sheet as at Jan. 31, 1941. The land department also received $14,500, for oil royalties in four wells in the Turner Valley.

Bond Markets

Investors Confident Of Finance Policies

Two years of modern war have reversed the pattern that most prophets expected to see in the bond markets.

Instead of softening, bond prices have hardened, with emphasis on the government issues at one end, and the discounted municipals and corporations at the other. The long-term government bonds reached a new high in August, as did the short term treasury bills. The domestic market has absorbed nearly $1.4 billion in war loans without weakening prices, bringing any serious symptoms of inflation, or destroying confidence.

Instead, confidence appears to have increased if the strength now coming into the provincial list is a valid indicator. The success of the Victory Loan, both in its initial sale and in its "digestion period" are evidence of strong public support in the face of unprecedented tax burdens.

Provincial Credit Steadies

Although nothing official has appeared on the future relations between the Dominion and the provinces, the opinion that the financial adjustment recommended in last April's budget will eventually go through is gaining ground. That the original proposal may be modified is perhaps to be expected, but in view of the reception at first accorded the proposal, the open battle with Ontario and the eloquent silences of Alberta and Quebec, the atmosphere seems to have cleared considerably.

The table appearing elsewhere in this issue dealing with the provincial revenues from gasoline, licenses, etc., provides a tangible argument in favor of reasonableness on the part of the provincial governments.

From 20 to nearly 40% of provincial revenue is tied in with automotive transport. The loss of these revenues would be sufficient to bring the whole provincial debt structure into default. Since the Ilsley offer would guarantee the provinces their 1940 revenue status, permit continuation of operating expenditures, it is fairly clear in which direction the line of least resistance lies. The strength in provincial bonds would indicate that investors expect the provinces to agree.

* * *

Await Alberta Plan

Mild recessions in Alberta the past week do not indicate more than the realization that the settlement with the province will take time.

Bondholders' committees are engaged in the difficult task of deciding what concessions, if any, should be offered to the province. Two basic suggestions, neither with official backing as yet, are making the rounds. The first is that Alberta be allowed to settle at some such compromise as 75% of contract coupon rates, paying back any future interest at the new rate. The other suggestion is that the bondholders allow back interest to stand at the 50% rate, but call on the province to meet future interest at full contract rates. A number of variations can be had for the asking.

Meanwhile, many smaller investors are in doubt as to whether they should cash back coupons at half face value. Qualified opinion continues to advise against it.

Slowing Installment Sales

Firms Involved Are Holding Conferences

Merchandising and financial firms concerned with installment selling have been investigating this phase of their business operations carefully in its relation to the national interest ever since it became evident—about a year ago—that some government action for its control might be forthcoming.

Already some have taken action voluntarily to reduce such sales, whether by offering less attractive terms or by stricter control.

Business groups interested include: automobiles, refrigerators, washing machines, radios, furniture, pianos, vacuum cleaners, etc.—both manufacturers and retailers; also finance companies which take over the customers' notes and collect the money. Some of the large retail dealers of course do their own financing.

It is understood a number of meetings of some of the different groups have been called recently. It is hoped in this way to reach agreement within the interest groups and permit making concrete proposals to the government.

Voluntary Action

Executives of finance, automobile and general merchandising companies interviewed by The Financial Post stated that already they had voluntarily been tightening up on their terms of credit selling. Some stated they had been able to implement such curbs as they had considered desirable. Others claimed that while they were anxious to do something, the competition of others in the same line of business made this difficult.

Latest official figures on installment selling are contained in a report of the Dominion Bureau of Statistics for 1937 and published at the end of 1938. This estimated total installment sales of merchandise in Canada in 1937 at $233.7 millions. Of this $132.1 millions or more than half was on automobile sales. The national income for that year was estimated at $3.8 billions. The national income for 1941, it is estimated, will be about $5.5 billions. If installment sales increase in the same ratio a total of $335 millions might be expected.

The last report of the Industrial Acceptance Corp. showed a volume of business of $34.4 millions in 1940 compared with $30 millions in 1939. This increase appears to be general.

Some merchandising and financing interests claim control is not necessary because controls are now in effect on production and that imposts have cut down the total available supply of durable goods for civilian purchase.

Other interests say they would welcome some sort of control either voluntarily or through government action.

The controls being discussed in Canada, like those in the United States, include mainly an increase in the amount of the initial payment for goods bought on the intallment plan and a shortening of the time in which payments can be made.

No Down Payment

At present, goods can be bought from many dealers with no down payment and as much as 36 months to pay. In others, down payments of 10% of the total value are required and there has been a tendency to cut down the period in which payments can be made to a maximum of 10 months, except in the case of certain heavy goods such as electric refrigerators and pianos, where a longer term for payment is allowed.

One large firm has initiated a curb of this kind itself as a matter of sound business.

Voluntary control is allegedly difficult in some lines. A car dealer, for instance, is anxious to make sales. The finance company with which he does business wants a down payment of at least 34% with 18 months to pay. But the customer wants to put down only 25% and wants 24 months to pay. If the finance firm doesn't meet his terms, the car salesman may take his business some place else where he can get the terms he wants. The same might happen with a radio or electric washing machine dealer.

Pianos

Piano dealers, it is understood, are anxious that in any government action that may be taken regulations affecting piano sales may be ameliorated or avoided. Pianos, it is claimed, are an instrument used in the schools and homes as an aid to education.

The general manager of one large merchandising establishment is insistent on substantial down payments. This, he believes is even more important than shortening the time over which payments may be made. The initial payment, he maintained, should ordinarily be sufficient to give the buyer a real interest in the goods he buys. Usually, he says, a man who cannot afford to pay at least 10% down should not be allowed to buy.

Under the rules just adopted in the United States minimum payments on some goods are as follows:

Automobiles, motorcycles, and boats, 33 1/3%.

Refrigerators, domestic washing machines, electrical equipment, stoves, radios, air-conditioners, etc, 20%.

Domestic oil burners, stokers, furnaces, water heaters, etc., 15%.

The maximum time allowed for payment is 18 months.

In all, 24 items were affected ranging from automobiles to trombones.

Apart from automobiles these rates are mostly higher than those prevailing in Canada.

The regulations will be revised and changed from time to time as is found necessary.

Gallup Poll

Reflection of United States opinion on control was obtained in a poll taken by George Gallup, director of the American Institute of Public Opinion.

He asked three questions. The first was whether or not a complete prohibition of intallment buying would be approved. Of the replies received, 43% approved; 49% disapproved, 8% gave no opinion.

The second question was as to whether the individuals queried were paying for anything on the installment plan or sot. The results were: yes 36%; no 64%. An earlier pool, taken some years ago, indicated that about 70% have at one time or another bought on the installment plan.

The poll showed that about one third of those now buying on the installment plan would approve action to stop it. Of those not now buying on the installment plan, 49% favor complete curb.

Canadian opinion so far has not been expressed in any official way. Men in touch with the situation, however, feel that installment selling under proper conditions is consistent with sound business, provided the down payment establishes a reasonable equity in the goods sold and the term over which payment may be made in most cases is not too long. Too long a period for payment might, if prices fell, sharply induce the buyer to throw back the goods because he might be owing more than the price of a new piece of merchandise.

It is believed a move to increase the down payment and to shorten the term of payment would in most cases meet with general approval.

Earnings High For Shawinigan Power Co.

From Our Own Correspondent

MONTREAL.—Gross revenue of Shawinigan Water & Power Co. in the six months period ended June 30 totalled $9.3 millions, an increase of $1.2 million over the corresponding period last year.

Operating and maintenance costs increased by $196,567 to $1.9 million, and cost of power purchased rose to $1.9 million from $957,915. Depreciation provision of $1 million was made, an increase of $100,000 over the first half of last year.

Net Up $289,868

Before income and "excess" profits tax the company showed net profit of $1.9 million, which was $289,868 higher than the first six months of 1940.

Revenue and Expense Statement
Six Months Ended June 30

	1941 $	1940 $
Gross revenue	9,302,412	8,065,652
Less: Oper. & maint.	1,923,388	1,726,821
Power purchased	1,642,867	957,915
Water rentals	231,899	235,271
Taxes	545,938	547,149
Fixed charges	1,897,367	1,928,752
Exchange	132,790	131.449
Depreciation	1,000,000	900,000
Net profit*	1,928,163	1,638,295

*Subject to income and profits tax.

Asbestos Producers Grant Living Bonus

From Our Own Correspondent

MONTREAL. — Canadian asbestos producers have granted employees a cost of living bonus, effective from Aug. 1.

This additional cost to producers, plus contributions to unemployment insurance and other rising cost factors have added considerably to operating charges. Despite increased operating costs no advance in selling prices is anticipated immediately. It is understood the present price schedule will remain in effect until the end of the year.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Montreal Refrig.	•6%	1947	Dec. 1	par
Remington R.	4½%	1956	Sept. 1	par
Inter. Paper	‡6%	1955	Sept. 1	105
Prov. L. H. Pr.	†5%	1946	Sept. 1	105
Wood, A. & J.	*6%	1944	Oct. 1	103

•All outstanding balance. Company will purchase bonds prior to the redemption date at 102, including accrued interest.
‡Drawn by lot: $407,500. †$69,000. *$28,500.

Significant Investors' Index Numbers

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. matei.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	8	7	3	4	10	12	7	15	15	8	19	95
(Base 1935-39=100)												
1929-40:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	302.1	297.3	160.9	329.3	180.7
Low	68.5	49.8	63.6	46.5	76.0	76.9	67.0	71.2	68.2	84.6	68.4	64.0
1941:												
Monthly Figures:												
Jan.	77.6	74.1	72.3	51.6	110.6	96.8	104.3	84.0	75.4	94.7	77.3	71.3
Feb.	72.9	63.8	69.5	48.7	105.0	90.1	96.6	77.3	68.8	90.9	71.3	66.5
Mar.	73.6	65.4	69.5	49.5	103.1	87.9	93.7	78.5	67.0	89.9	70.7	66.8
Apr	73.2	63.9	68.6	49.4	101.3	88.6	88.1	77.8	62.2	89.7	68.2	65.8
May	71.8	59.7	63.4	51.3	97.4	88.6	82.6	74.4	60.3	88.3	65.2	63.9
June	70.2	59.5	67.5	48.0	101.1	90.1	87.3	74.9	62.0	89.0	67.1	64.0
Weekly Figures:												
July 17	75.5	65.8	66.6	47.9	104.4	88.8	93.7	76.4	65.7	89.7	70.3	66.6
July 24	76.6	64.8	67.2	48.6	105.6	89.5	93.1	77.6	65.1	90.1	70.5	67.3
July 31	76.7	66.1	67.0	48.3	107.6	93.4	97.0	78.8	64.3	89.3	70.8	68.0
Aug. 7	77.2	70.4	71.3	49.8	107.9	91.4	95.5	80.0	64.6	89.6	71.5	68.1
Aug. 14	76.3	67.5	71.8	48.7	105.2	91.3	94.0	79.0	64.4	89.8	71.2	67.5
Aug. 21	77.2	68.6	74.5	49.0	105.9	92.2	94.9	79.3	63.7	89.6	70.8	67.7

*High and low for year from 1929 to 1940 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Aug. 26	93.62	100.80	69.37	19.67
Aug. 25	93.62	100.62	69.85	19.62
Aug. 23	93.45	100.06	69.76	19.49
Aug. 22	93.26	100.23	68.93	19.65
Aug. 21	93.50	100.88	69.18	19.62
Aug. 20	93.50	100.80	69.31	19.61
Month ago	93.80	99.50	69.30	19.83
Year ago	93.60	91.60	63.85	19.63
High 1941	103.40	108.95	76.85	21.62
Low 1941	85.87	95.88	65.39	16.73

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Aug. 26	44.5	66.0	65.4	75.89	71.02
Aug. 25	44.3	65.6	65.3	75.90	71.28
Aug. 23	44.2	65.5	61.5	75.80	71.19
Aug. 22	44.0	65.8	61.3	75.80	71.06
Aug. 21	44.1	65.8	61.5	75.80	71.05
Aug. 20	44.2	65.9	61.6	76.03	71.04
Month ago	44.0	64.0	60.4	73.5	71.12
Year ago	44.5	64.7	61.0	71.6	69.84
High 1941	51.2	72.5	66.5	82.59	79.91
Low 1941	43.1	62.3	49.3	54.96	67.38

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Directed by CHARLES J. COLLINS

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Confections—1	Publications—3
Educational—5	Public Utilities—1
Financial—4	Radio—3
Groceries—85	Sporting Goods—4
Hotels and Resorts—6	Tobacco—8
House Equipment—22	Toilet Requisites—60
Industrial—13	Transportation—4
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War Brings Fundamental Changes in Prairie Farming

Less Wheat and More Hogs Have Important Implications for Whole Dominion

By GORDON LINDSAY SMITH
Staff Writer, The Financial Post

Will this second Great War solve the wheat problem created by the first?

That is a question western Canada is pondering but one that cannot be answered completely until well after the peace. Today there are some favorable indications.

Wheat acreage is being restricted gradually to land most suitable for it, while in the great marginal areas around the No. 1 Hard wheat belt new agricultural projects are taking shape.

Hail, the Pig

Major factor in this transformation is the hog, which, when turned into bacon, is wanted in practically unlimited quantities in Great Britain.

Every dressed hog exported to Britain represents the production of one acre of grain, preferably oats or barley or a mixture of these two with wheat. Every acre taken out of wheat and turned, via feed grain, into bacon helps solve Canada's wheat problem, a problem which this year will cost the country close to $100 millions, constituting a burden second only to that created by our gigantic war effort.

Canada's wheat headache dates back to the first Great War period. Then this country was just emerging from the greatest settlement boom in its history. Immigrants had been pouring into the prairie provinces at a tremendous rate, reaching a peak of three quarters of a million in one year. Homesteading was in full flower and millions of virgin acres were being put under the plow. But Canada was really only starting to grow wheat.

Wanted More and More

The Dominion's wheat acreage prior to the first Great War was well under 10 million acres. Then with the elimination of Russian wheat exports and an unlimited demand for bread to feed the Allied armies and Allied populations in Europe, came the cry for more and more wheat.

Naturally, every settler in western Canada planted his utmost. Nature, too, co-operated abundantly and the crop in 1915 was the greatest in Canadian history. There have been larger harvests than the bumper one of 1915, but never one that equalled its astounding average of over 25 bushels per acre.

Moreover, in spite of its size the war demand was so great that prices actually rose 50% following harvest.

The new settlers came to the conclusion that all western Canada would grow wheat and that the more they grew the more would be wanted.

Wheat was king. There was little interest in other crops, in gardens, or in livestock. These things required year round attention, much monotonous labor. Why be nursemaid to a cow when wheat alone would pay, and pay handsomely?

So wheat acreage grew and grew until a few years after the first Great War it reached 25 millions or 2½ times that of 1914. It continued to expand even when prices reached the lowest point in all history in 1932.

Once a certain line of agriculture gets established it is difficult to change it. In a factory only a few months tooling is required to make a complete changeover in production.

It takes a year or two to start growing a new crop, 15 years to go into fruit growing. At least two or three years are needed to build up hog production and longer to switch to dairying.

Often it is a case of trial and error. Sometimes new diseases are encountered, or soil or climate may prove unfavorable. The agricultural west was built quickly and prosperously on wheat and it was naturally loath to switch wholesale to something else.

Moreover there were and still are great areas of western Canada where wheat is the only major line even the experts recommend.

Best in the World

Here, in a wide central belt stretching from Winnipeg to Calgary with its greatest width around Regina, is some of the finest wheat land in the world. It is rich, dry and level. It lends itself to cheap production of the highest quality product. It is natural wheat land, but in the average year much of it is too dry to produce sufficient fodder or water to maintain ordinary livestock and balanced mixed farming.

Around this belt there is a different sort of land and in many cases a different climate, too. Soil is not nearly as suitable to wheat, and there is usually more moisture. Irrigation is available in some cases. Natural crops are coarse grains, grass and some specialties like sugar beets or clover and grass seeds.

On such a foundation mixed farming or diversified agriculture can be built. Keystone is livestock—beef or dairy cattle, hogs, poultry and sheep. These animals turn oats, barley, grass, corn, roots and water into beef, mutton, bacon, eggs, butter, cheese, milk and wool.

The Warning is Old

Years before the present war, market experts were warning that Canadian farmers could not expect to go on expanding wheat production indefinitely. Continental Europe was getting more interested in growing its own, no matter the cost. New wheat areas in other parts of the world were being developed. Agricultural experts pointed out that as wheat growing moved farther and farther away from the natural wheat belt, quality was deteriorating, costs were rising. They urged other crops and livestock, a more balanced farm economy.

Abnormally low prices throughout the first half of the 1930's brought no correction. But the record drought of 1933-37 provided Dominion authorities with an opportunity for liquidating much marginal wheat land and returning it to grass. Then came the second Great War.

At first there was an immediate rush back into wheat. Acreage reached a new record. Prices after a mild flurry reacted. Instead of the $1.50 per bushel paid gladly in the second year of the first Great War, the government had to guarantee a minimum price of 70 cents. The carryover filled every available inch of storage space in the country.

Sweetened the Pill

Again the authorities acted and with the announcement of a price guarantee this year came the further order that acreage must be reduced. To sweeten the pill, a grant of $35 millions was voted to bonus diversion.

Just how completely successful this new policy will prove will not be known until final acreage returns are available. It is known, however, that for the first time in a decade there has been a substantial acreage reduction, perhaps as much as a third.

Announced too late — it was after the Easter recess that the $35 million grant was voted—it is doubtful whether the government's new policy would have proved so successful had not bad seeding weather kept many farmers off the land until it was too risky for wheat. Unfavorable weather in July also helped because this seriously reduced the volume of crop and removed fear of pressure from non-quota wheat in farm deliveries this fall.

But aside from these developments the fact remains that farmers themselves co-operated in a real reduction and the indications point to them continuing to do so.

With practically the whole of continental Europe cut off by war, the United Kingdom remains the only substantial wheat importer left us. Canada is extremely fortunate in being much closer to this market than her major wheat growing competitors, Australia, the Argentine and the United States. To Britain last year we exported about 200 million bushels and it is expected that this rate of export will continue so long as the present war situation remains. Even on our present reduced acreage and without touching carryover we can handle this export and attend to our own seed, feed and food requirements.

"Ever-normal Granary"

Our carryover of approximately 500 million bushels apparently is to be held as a reserve, probably in co-operation with American authorities, perhaps as a joint pool embracing also Australian and Argentine accumulations.

In the event of a quick and satisfactory peace in Europe this surplus wheat might be used to feed the starving millions freed from Nazi domination or it might simply be held indefinitely at around present levels to be drawn upon in years of abnormally low crops.

Actual wheat in this reserve, of course, would be kept circulating with new crop replacing old in the elevators each year. In this way any volume up to our elevator capacity of approximately half a billion bushels could be maintained indefinitely.

$50 Millions Yearly

Permanent cost of such a storage or "ever normal granary" policy for Canada would be about $50 millions a year—10 cents per bushel for 500 million bushels. In addition this year, of course, the Dominion government, which through its Wheat Board is carrying practically all this surplus, has had to arrange extra temporary space, work out and apply a highly complicated restrictive policy based on an accurate check of acreage, and finally has voted a grant of $35 millions as a subsidy for land diverted from wheat growing. Total cost of Canada's wheat policy in this calendar year, therefore, cannot be far short of $100 millions.

All along the big problem in getting farmers out of wheat was the alternative. Here war is proving the major factor. On the one hand substantial outlets for Canadian wheat have been cut off in continental Europe; on the other, substantial sources for other food products have been opened in the United Kingdom.

Up to the time Hitler overran Poland, Holland, Denmark and the Channel Islands and brought Italy, Finland and Central Europe into the war, all these countries supplied Britain with food. There were dairy and pork products from all the northern countries, canned and fresh fruits and vegetables and other specialties from those in the south. Now Canada is being called upon for much of the food formerly obtainable from European sources and this eventually means work for idle wheat acres and marginal wheat land in western Canada.

Chief product in the change so far has been bacon. A little over a year ago Canada was threatened with a glut of bacon and other pork products; now domestic consumers are begged to eat less so that more can go to beleaguered Britain.

Despite the fact that Canadian farmers this year are producing more pork and considerably more pork than ever before and that they will probably increase production again next year, there seems to be no worry of overproduction.

Of all the instruments available for switching wheat land to some other use nothing is proving so suitable as the lowly pig. It is essentially a grain consumer, in contrast to the dairy cow which must have vast amounts of bulky fodder—hay, pasture, silage, etc. The pig consumes little water. The big dairy cow requires a good sized barrel daily. The pig does not require expensive shelter, thrives on a minimum of attention and is easily the most compact of all meat animals for shipping.

All these advantages make hog raising attractive in and around the wheat belt, where grain is cheap and plentiful and fodder and water are often scarce. All that is necessary to ensure hog expansion in Canada is a continuance of something like present good prices—or rather the present satisfactory spread between grain and hog prices.

It takes roughly five pounds of grain to produce one pound of pork or again, very roughly, about one acre of grain to raise one hog to ideal bacon weight (210 pounds).

These figures, it should be stressed, are not those that good feeders would boast about and are much too high where byproducts of dairy farming, whey, skim milk, etc., are available.

During the coming year it is expected that Canada will be called upon to export around 600 million pounds of bacon to Great Britain or the equivalent of 6 million hogs or 6 million acres of grain.

Up to this year our normal wheat acreage was around 25 millions. It has now been cut to under 20 millions. A good deal of that cut has gone into coarse grains — barley, oats, etc. — and before the year is out a good deal of those coarse grains will be turned into pork. Some will also go to produce poultry, which is just as adaptable to grain farming as hogs, but much more limited in market.

More Gradual Here

Another portion will be used for feeding dairy cattle, sheep and beef cattle but here the transformation will be slower and more gradual. All these animals or the products they produce are wanted by Great Britain, while wheat, aside from present easily supplied requirements, is not. Wheat can be bought today at a price no higher than the low levels which prevailed before the war. Other products like bacon, cheese, butter, wool, beef, etc., are up from 25% to 50%.

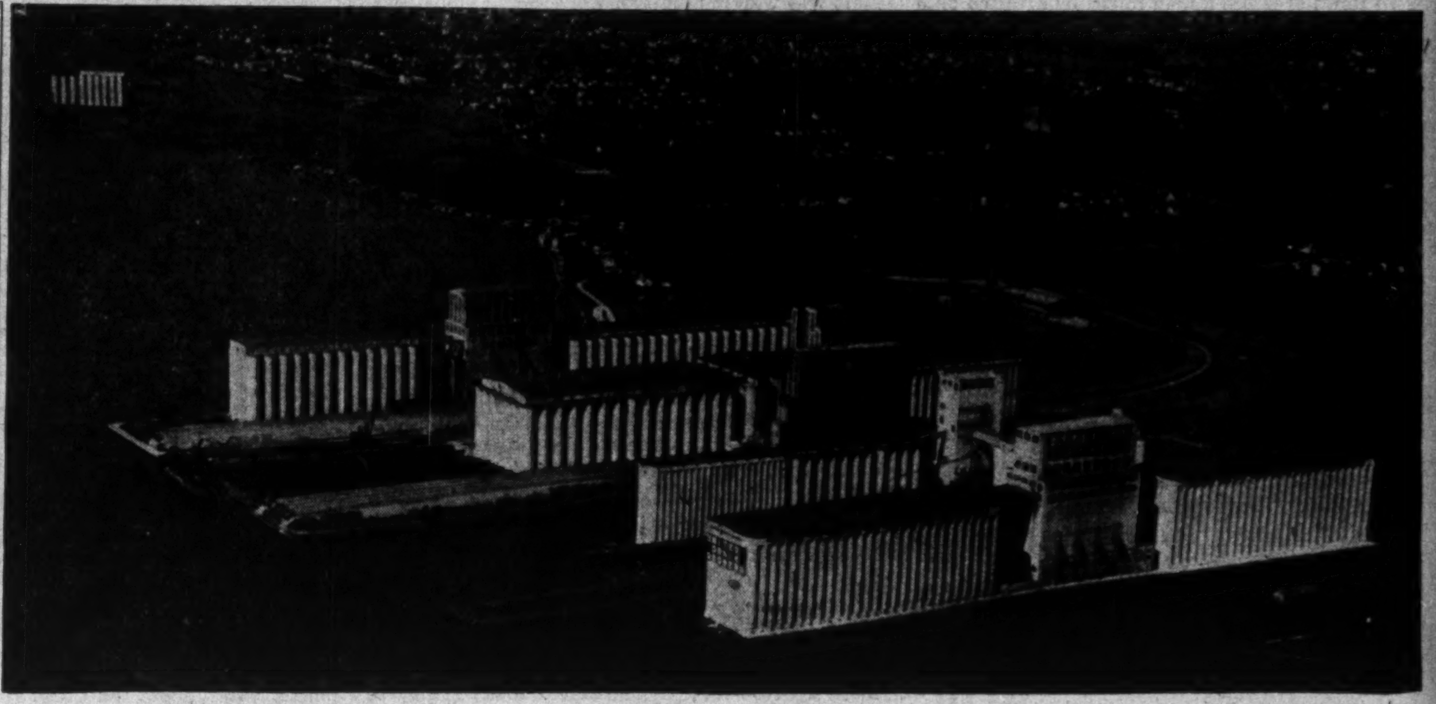
Such a situation is probably unique in agricultural history. In normal times there may be fluctuations but eventually all farm products move up and down with the same general level. There are always sufficient marginal producers, even of a limited crop like tobacco, who, if encouraged by temporary high prices, will go into production and eventually bring any particular item into line. Indeed for generations the price of wheat itself was the barometer of both farm prosperity and farm prices in Canada.

Now something has happened to that barometer and the emphasis is on other farm products.

May Be Gone Forever

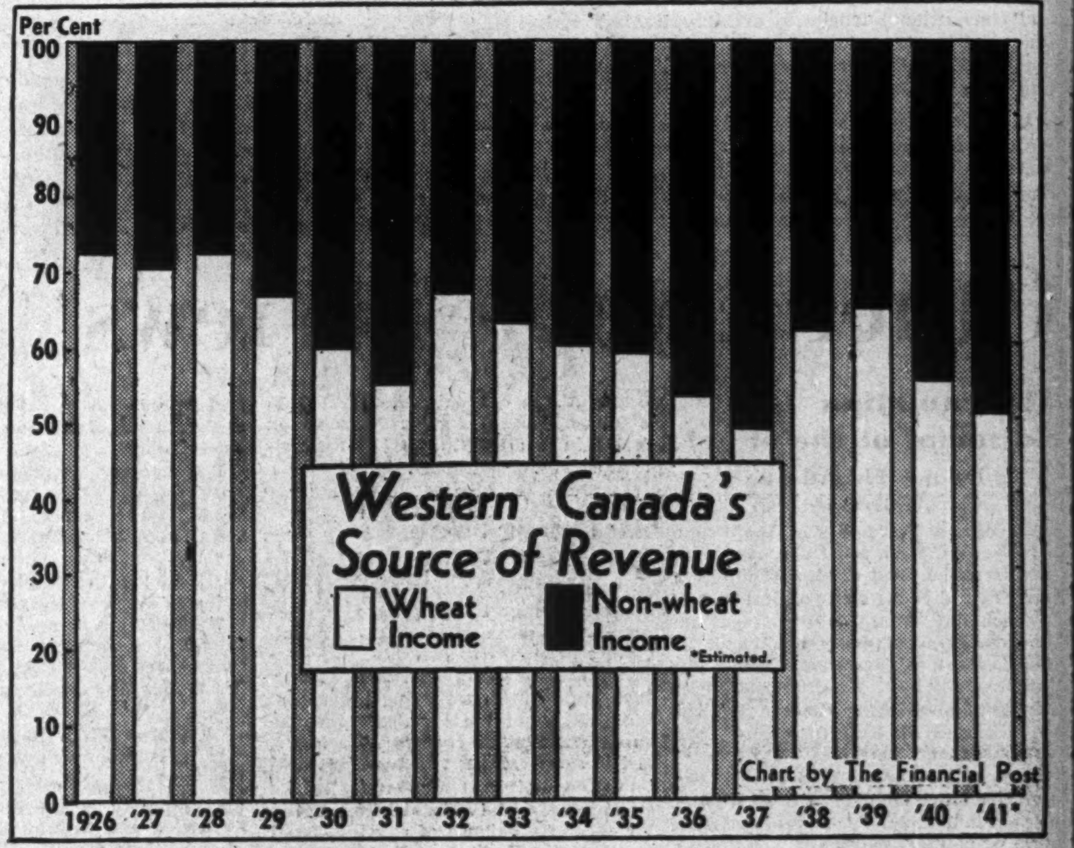
Given a year or two of such emphasis, plus the year that has already passed, and mixed farming may become so firmly established on the edge of the natural wheat belt of the west that it may never be dislodged. The old feast and famine days of exclusive wheat farming may never return.

Already the non-wheat farm income of Manitoba exceeds that from wheat and the same may soon be expected of Alberta. In Saskatchewan there is also a gradual diversion to other crops or lines, but here because the natural wheat belt is greatest, that grain will likely continue its dominance. But it should be better quality than ever before because it will be undiluted with the softer poorer product of the marginal areas.



"Our carryover of approximately 500 million bushels apparently is to be held as a reserve, probably in co-operation with American authorities, perhaps as a joint pool embracing also Australian and Argentine accumulations, says the writer of this article.

Five pounds of grain makes one pound of pig. But hog appetites and the hog population are not enough to overcome situations like this in every grain elevator in the country. They're all "jammed to the roof" and are expected to remain so, probably to be a bargaining force in the peace.



This chart shows graphically what is happening to western Canada agriculture. Major transformations come slowly so the chart shows no dramatic leaps and dives. The important thing now is that the west is less dependent on its wheat crop than ever before with more revenue from other sources.

Tobacco Deal With U.K. Being Finalized

Completion of Export Plans Here Parallels New Buying Step in U. S.

Tobacco marketing experts foresee little or no effect on the interests of Canadian producers in the newly announced offer of the U. S. Commodity Credit Corp., to buy up to 10 million pounds of 1939 crop flue-cured leaf "suitable for requirements of British manufacturers."

Arrangements are virtually complete for the sale and export shipment to Britain of eight million pounds of Ontario tobacco in coming months, The Financial Post is informed by J. K. Perrett, secretary-treasurer of the Ontario Tobacco Marketing Board, with headquarters in Simcoe.

This deal was forecast, subject to shipping space being available, in The Post some weeks ago. In addition, the Ontario growers expect to repeat the shipment of 500,000 pounds made to Australia some time ago.

Canadian Deal Stands

The projected large purchase by the U. S. Government body of stocks for shipment to England is not expected to make any change in the agreement to supply Britain with Canadian leaf. And Canadian experts doubt very much whether they would have sold any more Canadian stocks to Britain, even if the Commodity Credit Corp. had not undertaken its present assembly of leaf for export.

The American tobacco used for British consumption is a different type from the Canadian, and the British firms can only use a certain proportion of Canadian leaf for their trade, Mr. Perrett explained. With all British imports sharply reduced since start of the war, Canadian growers are not very hopeful of boosting shipments much if any above the eight million pounds level, to which annual export sales dropped in 1939 after hitting a peak of 20 million pounds in 1938.

With part of the crop already harvested from a total acreage voluntarily reduced by about 25%, current estimates are that this year's Ontario crop will run between 50 and 55 million pounds. Of this, it is anticipated, buying for domestic use will absorb between 40 and 42 million pounds on the basis of present rates of consumption. More may be bought now or later to keep pace with the still-rising pace of tobacco products sales.

This would leave from a minimum of eight million to a maximum of 15 million pounds available for export or to be added to the existing surplus of 15-16 million pounds from the 1939 and 1940 crops. However, should the 1941 crop turn out at the low estimate of 50 million pounds, and the domestic buying at the high estimate of 42 millions or over, this year's surplus would be barely equal to the British export requirement of eight million pounds.

May Reduce Surplus

Prospect of renewed shipments to Australia and of selling increased amounts in the Dominion points to the possibility of nibbling into the existing large surplus from the past two years.

The exports to England are to be of various types, and shipped over the next 12 months, though it is expected that the bulk of the shipments will be made before the turn of the year. Up to mid-week, arrangements had not been completed as to the proportions of different types or of different crops to be taken by the British. It is thought possible the exports will be at least partly 1939 leaf now aged and ready for manufacture, and partly 1941 crop.

It is pointed out that the U. S. offer of the Commodity Credit Corp. specifically calls for the flue-cured leaf from the 1939 crop suitable for the British trade. It is assumed by Canadian experts that the C.C.C. move is an effort to obtain further supplies for export under the Lease-Lend plan, financed through the Credit Corp.

U. S. Move Puzzling

Observers here are somewhat puzzled by the move, however, as they believed the C.C.C. was carrying ample stocks of 1939 crop which were under option to British buyers. It is conjectured that these stocks may be getting low or thought insufficient and that the C.C.C. is testing out the market to see whether privately held stocks are available and at what prices. A total of 160 million pounds of 1939 crop had previously been sold or optioned to the British with the aid of financing through the C.C.C.

The offer of the C.C.C. is explained by the Whaley-Eaton service of Washington as "only to satisfy private holders who protested the lack of opportunity to sell stocks in a previous shipment of 30 million pounds." There is said to be plenty of tobacco under loan to satisfy all British requirements, which with Lease-Lend aid can now be met at normal levels, up to 200 million pounds a year.

Canadian experts are doubtful that any great volume of leaf can be obtained at the prices set in the new Credit Corp. offer, which specifies the original cost of tobacco bought at auction, plus costs of storage, carrying charges, packing and transportation to Sept. 1, 1941. The average price for 1939 crop was about $15.50 per cwt., rose to $16 in 1940 and this year has been pegged at $19.60. Much of the 1939 crop still held privately has been retained by speculators hopeful of selling it at higher 1941 prices, especially in view of the reduced volume and average grade of the 1941 U. S. crop.

Figures showing the commodities held or controlled under loans by the Commodity Credit Corp. as of Apr. 30 last listed total stocks of tobacco at 381.4 million pounds worth $84.5 millions, of which 291 million pounds were owned and 90.4 million on loan. While this has no doubt been reduced by shipments since then, the April total is believed to have included much of the 160 million pounds of 1939 crop sold or optioned to the British through C.C.C. financing. Especially since the war, a good deal of the crop earmarked for export has been left for ageing on this side of the Atlantic.

Despite the aid of the C.C.C. and Lease-Lend, U. S. shipments of tobacco to England have been drastically reduced, as well as those from Canada. During the 1940-41 crop year, which ended with August, available figures indicate American tobacco exports shrank to little more than a quarter of 1938-39 volume.

It was to meet the abnormal situations in regard to tobacco and other basic crops, especially since the war, that the U. S. Government set up various agencies such as the Commodity Credit Corp. to bolster commodity prices, apply marketing quotas, bring about acreage reductions, and provide for orderly accumulations and marketing of surplus stocks in storage.

West Coast Pipe Line Is Mooted

From Our Own Correspondent

VANCOUVER.—Construction of a pipe line between Astoria, Ore., and Vancouver and other points in the Pacific Northwest is being discussed by oil men here as a possible development from the growing shortage of petroleum products in this territory.

So far the oil supply has not been under a severe strain, but the future is uncertain and one of the biggest figures in the oil trade here told The Financial Post that he had no definite idea where future stocks would come from, or when they would arrive.

No Margin Left

Specific information is unavailable, but it is reported that at least 12 tankers have been withdrawn from west coast service, representing a reduction of about 30% in the normal supply and leaving practically no margin for safety.

Future stocks of oil will probably be pooled by the major companies operating in this field—Imperial, Shell, Standard, Union and McColl-Frontenac (Texas).

Imperial Oil, Ltd., which in recent months has been obtaining most of its oil on this coast from International Petroleum Corp. in Colombia and Peru, has been obliged to withdraw from that source because of tanker shortage and all the oil used in British Columbia, apart from the small supply from Turner Valley to the eastern sections of the province, is now coming from southern California.

Whether a pipe line from Astoria would be practicable is yet to be determined, but it has been given some serious consideration. It would carry only gasoline, fuel oil continuing to move by tank ship, and B. C. uses three times as much fuel oil as gasoline. But considerable saving in tanker time would be saved, even though it would necessitate curtailment of refining operations in British Columbia and other points to be served.

The pipe line would supply, in addition to Vancouver and the lower mainland and Vancouver Island areas of B. C., most of Washington and Oregon states, the entire territory normally consuming more than 250 million gallons of gasoline monthly.

The Editorial Page . .

Civil Liberties in Wartime

In times of peace a man might be arrested on a charge of, say, inciting to riot. Tried and acquitted he would be freed and that would be the end of it, even if the authorities "knew" that he was a professional mischief-maker but simply could not get the sort of evidence required to convict in a court of law.

In wartime a different practice prevails. The function of the courts in trying alleged infractions of the law continues. But an additional precautionary measure is added in the power given to the Dominion authorities to intern people whose record or activities suggest that they may be dangerous to the state.

Thus a good deal of discretionary power is placed in the hands of justice officials. They may occasionally make mistakes and if they do the innocent will suffer. Voltaire's injunction that "it is better to risk saving a guilty person than to condemn an innocent one" still holds true, but the responsibility for protecting the innocent in cases of suspected service to the enemy is in many cases shifted from the courts to officials.

It is this difference between peacetime and wartime practice that is the cause of all the discussion about the protection of "civil liberties" in Canada today. Many worthy people think the system of internment without trial is horrible, just as much so under emergency conditions of war, as under the easier-going conditions of peace.

The practical phase of the matter is, however, simply this: that subversive agents do not operate in a way that leaves a trail of evidence behind them. To produce convictions in court calls for such a careful marshalling of evidence that the authorities would succeed in disposing of possibly not more than one in ten of the cases of people who are known to be carrying on undercover operations prejudicial to the state.

It is not practical politics to preserve in wartime all the personal freedoms which are our pride and glory in times of peace. The press, for instance, is not free to print news of troop movements or defense dispositions. It is not free even to discuss the question of whether or not we should be at war. Radio chains may not carry foreign news commentaries. Publications from enemy countries do not circulate freely. A manufacturer is not free to make what he likes nor a worker to work where he likes.

It is essential that there be vested in the hands of the government and officialdom greater powers than they exercise in peacetimes. Most people will agree with that view.

The prating about infringement of "civil liberties" because a few dangerous characters have been interned for duration seems to be but further evidence that a great many people in Canada have not yet awakened to the fact that we are at war.

Salute to Victory-Makers

One hundred thousand fighting vehicles! That is an enormous number. When Ford of Canada this week produced No. 100,000 of its battle machines for the present war it set up something of a record, probably never surpassed in any factory under the British flag in this war or the last one.

The machines have gone to many fronts. The company's phrase that its fighting vehicles are used "wherever the British flag flies" covers a world-spanning territory. From station wagons and conventional trucks to artillery tractors and universal carriers, each has its vital place in this modern war where machine clashes with machine, and oil is the determinant of victory.

In other Canadian automobile factories, in a wide variety of other industrial plants, further tools of victory are being forged. To Canadian industry, and in particular to Ford on its most remarkable achievement in so few months, salute!

Who Bosses the Reds Today?

It was widely reported, when Stalin and Hitler made their pact in August, 1939, that one of the chief Nazi gains from it was use and control of the Communist network of saboteurs and revolutionaries the world over.

Who controls this network now is something of a mystery. It continues its efforts to sabotage the war production of the democracies by strikes and other methods. Official Communist leaders pay lip service to the need for increased production to aid Russia, yet they always go on from there to the incitement of further sabotage.

The Financial Post has interpreted this situation as evidence that the Communist Internationale still holds world revolution to be its objective, despite Russia's sorry plight today. Other interpreters offer another explanation: that the Nazis have taken over the world revolutionary network of the Communists, now control it and use it as their own. Under that interpretation our "Communists" are not today working for Moscow; they are Nazis and their first duty is to Hitler.

Under either interpretation, they are dangerous.

A Huge Untaxed Corporation

There is a privately-owned corporation in Canada with net worth of $13 millions—official government figures—that pays no taxes. It is the biggest company in its field and is in straight competition with private concerns that do pay taxes.

This non-taxpaying corporation professes to be willing to serve the war effort in every way, but its only recent contacts with the government have been in connection with demands for larger government subsidies for one group in the population.

Naturally, saving many tens of thousands of dollars a year in income and corporation taxes, it has money to play with. It uses this money in various disturbing ways.

For instance, it publishes a newspaper whose chief editorial policy is to attack in every issue the economic system of the democratic countries and to press for a new and revolutionary type of economic system.

Some of the money that it should be paying in taxes to help finance the war goes also for the operation of radio stations that carry on similar propaganda.

How many Canadians could name the corporation or even know of the existence of such a state of affairs?

Preparing for the Transfer to Peace

It is a fantastic hope that the Unemployment Insurance scheme can meet the entire problem of the post-war transfer of workers from war jobs to peacetime activities. Some supplementary plan for tapering off the compensation of workers in chemical and explosive plants, shell plants, airplane factories, etc., will be needed.

There are many ways this could be achieved. One of the simplest would be to provide for building up wage reserves in the leading companies organized for war production.

Defense contracts are handled, in most cases, on such small margins that there is nothing available for building up reservoirs of cash, out of which continuing pay could be paid for a few weeks after production ceases. If such reserves were to be set up they would have to be provided for in the margins allowed, and that means paying a little more now for war goods.

A Labor View of the C.I.O.

There are various labor publications in Canada and no one of them speaks for all the organized groups, much less for all labor. These publications differ in their point of view. Some are revolutionary in tone, some radical, some moderate and some conservative.

It is likely that the more moderate, or even conservative papers speak for more workers than the revolutionary or radical sheets because there are not many fanatics or reds among the rank and file of Canadian labor men.

The Labor Review is the organ of the Canadian Federation of Labor. It is at odds with the C.I.O., which it regards as a labor organization thoroughly dangerous to the true interests of Canadian workers. Its most recent issue attacks the anti-British John L. Lewis and his C.I.O. minions in Canada with outspoken words. It says:

> "After the display of contempt and defiance from the ca' canny coal miners of Cape Breton and the peremptory demands from the shell workers of Hamilton, neither the Government nor the people of Canada should have any doubt as to the attitude of these C. I. O. groups toward the national emergency. So long as the C. I. O. is allowed to operate . . . we must expect its policy of antagonism to the war effort to prevail through the thoughts and words and deeds of its rank-and-file members.
>
> "After the vigorous lobbying that C. I. O. agents and other Commnazi fellow travellers did at Washington to obstruct the passage of the Lend-Lease Bill, and after two years of dumping of anti-war propaganda from the United States into the homes of Canadian C. I. O. worker members, we cannot affect astonishment when production of coal is slowed down by a cold-blooded conspiracy or when other vital supplies are curtailed through capricious walkouts at C. I. O.-controlled plants."

This is the way at least one group of Canadian unions thinks about the C.I.O.

Editorials in Brief

The London Economist used the words "impassé," italicized as if to suggest its French origin. The Ottawa Citizen uses the word "matèriel."

Correctly the words should be spelled "impasse" and "matériel."

When foreign words become legal tender in our language, the simplest thing to do is to discard the accents.

* * *

Hendrik Willem Van Loon says that when God tires of Hitler, he'll disappear.

A comforting thought, but there is nothing in Christian philosophy that forbids people giving God a little help in getting rid of evils.

* * *

Every democratic government — British, Canadian or American—needs criticism, states the Newmarket Era. A maximum war effort is as much dependent on government critics as it is upon governments.

And the same will be equally true when we come to make our peace effort. The last time we were too easily satisfied, criticism went unheeded, and the job proved a failure.

* * *

An order of the Wartime Prices and Trade Board says that "no person shall . . . slice bread for any other person."

What a funny picture it is going to make to have diners in restaurants slicing their own bread! And strictly speaking, Mother won't be able to slice bread for Pop's lunch. He'll have to go into the kitchen and do it himself.

* * *

W. L. Clark in the Windsor Star is much annoyed at a headline in a United States publication:

"War Has Brought Prosperity to Canada."

Mr. Clark seems to think it is sheer nonsense to talk of war bringing prosperity to any nation, and he is right.

There has been an enormous increase in production. The amount of money circulating from hand to hand has increased. If we were getting out of all this a higher standard of living or an increase in the facilities of civilized life then it might rate as prosperity. But the insatiable appetite of war can be fed only by utilizing all the products of our increased effort plus a good deal more, released by self-sacrifice and encroachment upon capital. There is no prosperity in that.

When the war is over, if we kept on working as hard and as efficiently, diverting our energies to making the world more livable, then we would indeed have prosperity. Very probably we won't do it.

Other People's Views . . . .

The Canadian Editorial of the Week

Politics Fly Atlantic

Toronto Globe and Mail

We cannot but feel that the Prime Minister of Canada acted very unwisely, both from the point of view of the government and of his own political future, in excluding from his entourage the representatives of every newspaper in Canada but that slavish party organ, the Toronto Daily Star. We doubt that there has been a more flagrant case of political pettiness since Sir Robert Borden in 1911 announced the personnel of his new cabinet only to newspapers of the Conservative stripe and left all Liberal journals out in the cold. Such a reprehensible piece of political patronage is bound to be deeply resented by self-respecting newspapers throughout the Dominion.

Mr. King's mission should have been undertaken without any thought of political advantage. The Prime Minister represents not merely the Liberal party but the whole people of Canada when he goes to London to confer with the British Prime Minister and government on behalf of this Dominion. Domestic politics ought to have been banished from his mind.

If a Canadian newspaperman had been selected to represent the entire press of Canada we could have no quarrel with the choice of Mr. Gregory Clark as he is a member of a distinguished newspaper family and is a finished craftsman.

But Mr. Gregory Clark and the Star are inseparable, and we think the majority of Canadian newspapermen will be sorry to see him damaging his reputation by lending his name and his talents to the dissemination of what is obviously party propaganda. In fairness, we are bound to say that, on this assignment at any rate, he does not write as he pleases, but in obedience to instructions of the management of the organ.

It is perfectly obvious that the Canadian soldiers who booed Mr. King were expressing their feeling about his government's conduct of the war and its lack of appeal to the vigorous, red-blooded young Canadians who are risking their all in our defense. The Prime Minister of Canada is not the type of war leader who is worshipped by the fighting forces. They fancy a two-fisted man like Mr. Churchill. In our opinion, the Toronto Star's correspondent makes himself look foolish in his attempt to pass off the incident as a bit of horseplay.

* * *

As Others See Us

Millions Being Saved

Brampton Conservator

In this as in every other war complaints that those engaged in the manufacture of munitions and other war material are receiving enormous profits, that millionaires are being created at the expense of the taxpayers. In the Great War similar charges were heard, and in some cases not without justification. The matter is referred to in the latest issue of The Financial Post, not in the way of a defence of any individual or corporation, but rather as a plain statement of fact. A visit to some of the munition plants would enable those who complain to "discover that our industrialists are slashing hundreds of millions off war costs, simply by utilizing technical methods that the heads of the fighting services and other government departments never heard of," says the Post.

A number of examples are given to show how great savings are being offered.

In presenting such information to the public. The Financial Post is doing a good service. Nothing is more injurious to public confidence than a belief that while young men are giving their lives for the country, others are bleeding it for their own benefit. Where there is evidence of exorbitant profits exposure should be made and punishment inflicted, but care should be taken that nothing but facts are presented.

* * *

What is Prices Board Doing?

Winnipeg Tribune

Last Saturday, The Tribune published the results of an enquiry into the price of certain foods in Winnipeg. This showed that the price of 22 common foods—not of all foods—had risen 32.7 per cent since the outbreak of war. Studies by The Financial Post, of Toronto, show that the same sort of thing has taken place on a nationwide basis.

A variety of reasons, some of them good reasons, enter into these price rises. At the same time, as a whole, they raise serious question in the public mind as to the efficacy of the Wartime Prices and Trade Board.

It is the duty of citizens who feel they have just complaint in the matter of prices to call specific instances to the attention of this board. At the same time, the Wartime Prices Board has the duty of informing the public of what it is doing to control prices.

We need much more information as to what the Wartime Prices Board is doing right now and is prepared to do in the way of controlling food prices.

* * *

May This Idea Grow

Peterborough Examiner

The Financial Post is impressed by the simplicity of the document signed by Russia and Britain for the purpose of defeating Germany. By actual count there were but 49 words in the whole thing, and that is less than the limit for a night letter. Just this:

1. The two Governments mutually undertake to render each other assistance and support of all kinds and in all times in the present war against Hitlerite Germany.

2. They further undertake that during this war they will neither negotiate nor conclude an armistice or treaty of peace except by mutual agreement.

And those two clauses are all that bind these nations in the greatest struggle the world has yet seen. It was not considered necessary to have any of the usual "whereases" at the start of the thing; nor was there anything put in there about "therefore be it resolved." And it is a plain fact that there is nothing at all about the party of the first part or the party of the second part.

It may be that out of this war may grow a simple form of saying things, a plain method of drawing agreements and documents which even the average man will be able to understand.

* * *

Constructive Criticism

St. Catharines Standard

In a recent letter which received widespread publicity, W. R. Givens, former Kingston publisher and editor, the writer directed criticism at those who would criticize the government of the day and its war effort. He demanded that criticism be constructive and helpful.

There has been very considerable of just that in recent days and it is reflected in a front page editorial of The Financial Post this week. It is to the effect that the army in Canada is being trained on the 1914 model, that there is no training in the "blitz" or high mobility and striking power and there is no co-ordination between the different arms.

The Financial Post declares that the remedy lies in bringing General McNaughton back to Canada and let him give the works a thorough going over. One result of that surely would be to strengthen public confidence in the Canadian forces and their efficiency. There might also be, if the General had his way, some wigs on the green, a healthful process as was seen after Norway and Dunkirk with the British Army.

* * *

The Mail-box

Gold vs. Base Metals

Editor, The Financial Post,

I see by recent press reports that reference has been made to the possibility of the United States requesting base metals for war purposes in lieu of the regular purchases of gold from Canada and the effect it might have on the gold mining labor situation.

May I point out that shipping of the gold out of Canada is unsound economics. International trade is not conducted in the buying and selling of gold, but in the buying and selling of goods and services, and this appears to me to be using gold as a commodity on a wholesale scale. This is distinctly confusing production (materials and services) with money (a medium of exchange) and the only business in which money is bought and sold as a commodity is banking. It is also like a company spending its capital abroad instead of using it for production and commerce and thereby making use of Canadian industry. This is the sort of economics that would have caused Karl Marx to breathe fire through his nostrils at "Capitalism."

Canada should be accumulating her own gold reserves. I am quite certain the United States has no desire to be the one nation holding all the gold chips at the end of the war.

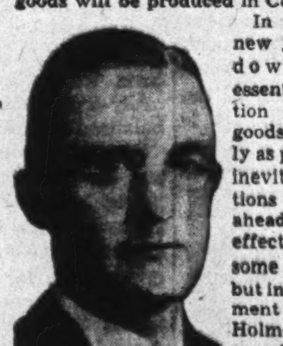
Toronto. D. F. S. Ballantyne.

WHOM IS HE SPEAKING FOR?

Post-Scripts . . . .

His Job is Tough

One of the toughest jobs of the war is also one of the most recent—that of Controller of Supply, in the Department of Munitions and Supply. The new Controller will have the responsibility of dividing precious raw materials between war and civilian production, of deciding how many new washing machines, radios, refrigerators and other heavy consumers' goods will be produced in Canada.



A. H. WILLIAMSON

In effect, the new job is to cut down on non-essential production of heavy goods as painlessly as possible. The inevitable restrictions that are ahead cannot be effected without some dislocation, but in the appointment of Alan Holmes Williamson, Canadian industry has a guarantee that the change over will be conducted with fairness and consideration.

Mr. Williamson's background, as a partner and vice-president in Wood Gundy and Co., has been the major factor in suiting him for his new duties. In the financing and reorganization of corporations he has proved an able negotiator, able to see more than one side of a problem. Long acquaintance with government securities has sharpened his knowledge of government financial problems and working methods. Management of four separate branches of Wood Gundy & Co., presidency of the Investment Dealers' Association of Canada, and recently the chairmanship of the organization and distribution committee for British Columbia in the Victory Loan are testimony of his organizing ability. He has represented his company in London, England, Toronto, Winnipeg, Saskatoon and Vancouver, and has correspondingly wide contacts. His directorships in British Columbia Packers and Federal Grain Ltd., not to mention an intimate knowledge of other companies in which there is an investment interest have given him a wide insight into industrial problems.

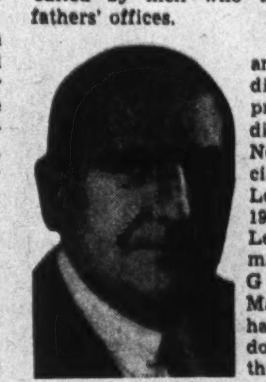
A one-company man, Williamson has been with Wood Gundy since the beginning of his business career in 1914. Those who have worked with him regard him as a man with a tidy desk and a tidy mind. He has been distinguished by the ability to see complex problems clearly and explain them concisely.

The exact boundaries of Alan Williamson's authorities have not yet been publicly announced. The official announcement of his appointment contents itself with the statement that he will have "wide powers" over production of heavy civilian merchandise, and will become a member of the Wartime Industries Control Board of which R. C. Berkinshaw was recently named chairman. Mr. Williamson has left his home in Vancouver, and is now in Ottawa. Presumably, the width and direction of his new powers will shortly be made public.

* * *

Family Tradition

If the recent census taker was interested in that sort of information he would probably find that in few other lines in Canada do sons follow fathers with such regularity as in the newspaper field. Probably the bulk of the older weekly newspapers of this country are now being edited by men who trained in their fathers' offices.



W. R. LEGGE

A typical example of this tradition is the new president of Canadian Weekly Newspapers Association, Walter R. Legge. When in 1932 George Legge, editor and manager of the Granby Leader Mail and Farnham Leader laid down his pen for the last time his son Walter assumed control. But while Walter Legge has been mixed up with the newspaper and printing business for nearly thirty years his original intention was to follow accounting. In such a capacity he was employed by the Dominion Rubber Co. at Granby for a number of years. Later he became accountant with the United Maple Products of Granby and while with this firm travelled extensively through his native province and also the Northeastern tier of States across the line.

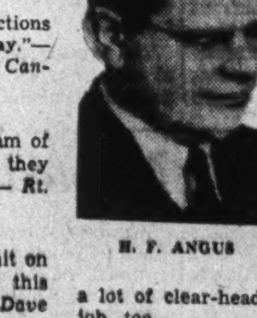
That the average weekly newspaperman only works the day before the paper comes off the press is amply disproven by a list of Walter Legge's public offices. For years he was secretary of the Granby Board of Trade, also the local Horticultural Society. He is a past president of the Granby Branch of the C.M.A., a director of the Curling Club, vice president of the Kiwanis. In addition he is a prominent musician, was organist of St. George's Church in Granby at 17.

Walter Legge is fully regarded as a native son of Granby, but he isn't quite. Born in Montreal in 1890 he came to Granby with his parents in 1900 and has lived in that busy Eastern Townships centre practically ever since. In 1916 he married Blanche Rean Carroll and they have one son and two daughters. One daughter carries on the family tradition and is in her father's office, the son is with the R.C.A.F.

* * *

Facts Reservoir

Professor Henry F. Angus of Vancouver has been appointed as liaison officer for the Joint Economic Committee of Canada and United States, product of the Hyde Park discussions between Prime Minister King and President Roosevelt.



H. F. ANGUS

The specific nature of the professor's new duties has not been stated, but "Hank" Angus is one of those quietly industrious fellows who will find plenty to do regardless of his assignment and he'll put a lot of clear-headed thinking into the job, too.

In a general sense, the council is expected to effect smooth-flowing coordination of the economic and industrial efforts of the two neighboring countries, and if one of the essential requirements of membership in such a council is an almost overwhelming mental storehouse of facts Professor Angus will "fit" amazingly well.

Long regarded as an outstanding authority on the problems of the Pacific —he has written unnumbered pamphlets and books on the subject, Prof. Angus added to his vast store of knowledge concerning his own country while acting as one of the hardest working but most reticent members of the Rowell-Sirois commission. It was characteristic of him that when the Sirois Conference collapsed through failure of several provincial premiers to collaborate with the federal government Angus offerred no comment beyond the observation that the incident was regrettable.

However, Henry Angus does occasionally become more vigorously articulate. When a group of big businessmen in British Columbia headed by George Kidd, presented the Government with a report criticizing the high cost of government and demanding retrenchment, the modest university professor rallied the forces of education in a spirited counter-offensive. The Kidd report condemned educational costs and if there is anything that Prof. Angus regards as inviolate it is the continued high quality of educational standards.

On another public issue of vital importance to British Columbia Prof. Angus has also been consistently firm. Almost alone, he has championed the right of Orientals to the electoral franchise.

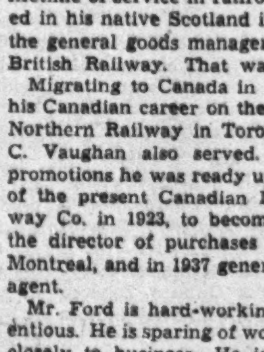
Fifty-three years old, Prof Angus is a product of the west coast—a native of Victoria, where he received his early education. He went to Balliol College, Oxford, after going through McGill and in 1914 was called to the bar, Inner Temple.

During the last war he served in Mesopotamia with the Wilts Regiment and was mentioned in despatches. Soon after the war he returned to the coast and joined the staff of the University of British Columbia.

* * *

Biggest Buyer

Canada's largest peacetime purchasing job is performed by Canadian National Railways. Average annual purchases run around $100 millions—more in the current year, but less in periods of business depression. Only purchasing agency handling a greater volume is Munitions and Supply.



D. M. FORD

Last week David McKechnie Ford became Canada's biggest industrial buyer when he was placed in charge of C.N.R. purchasing, a post vacated by R. C. Vaughan in his recent move to the presidency. Mr. Ford, has been heir-apparent to the vice-presidency in charge of purchases and stores since he became general purchasing agent in February, 1937.

A quiet, retiring servant of the Government-owned line, Mr. Ford has spent a lifetime of service in railroads. He started in his native Scotland in the office of the general goods manager of the North British Railway. That was in 1900.

Migrating to Canada in 1905 he began his Canadian career on the old Canadian Northern Railway in Toronto, where R. C. Vaughan also served. After many promotions he was ready upon formation of the present Canadian National Railway Co. in 1923, to become assistant to the director of purchases and stores at Montreal, and in 1937 general purchasing agent.

Mr. Ford is hard-working and conscientious. He is sparing of words and sticks closely to business. He is known well only to a small handful of C.N.R. employees at the Montreal head-office. He plays golf and badminton and was earlier in life a skier of questionable skill.

A staff of long-standing revolves around the vice-president many of whom have worked with Mr. Ford since the Canadian National Railways came into being. His direction will perpetuate the smooth-running efficiency of the company that is the largest industrial buying office in the Dominion.

Sayings of the Week

"The South American republics are fed up with good-willers." — *John Erskine.*

* * *

"Aviation development has been hamstrung by frozen military ideas."—*Alexander P. De Seversky.*

* * *

"Hollywood—the only place in the world where you don't have to be a genius to be a genius!"—*Milton Berle.*

* * *

"Why is Germany so intent upon adopting the V sign when it's already done so well with the double X."—*Frank Sullivan in PM.*

* * *

"The United States cannot change the course of history by words. Freedom doesn't come cheap any more." — *Dorothy Thompson.*

* * *

"Suggested new theme song for the State Department: 'We won't go over till it's over, over there.' "—*Rep. William P. Lambertson of Kansas.*

* * *

"We hope that the gasoline restrictions will throw a few customers our way."—*Robert C. Vaughan, president of the Canadian National Railways.*

* * *

"The Germans have lost the cream of their pilots and their materiel and they haven't touched our production." — *Rt. Hon. Alfred Duff Cooper.*

* * *

"The ban on silk made a direct hit on women's legs—and that's where this country is really vulnerable." — *Dave Boone, newspaper columnist.*

* * *

"Love is that delightful interval between meeting a beautiful girl and discovering she really looks like a haddock."—*John Barrymore.*

* * *

Stop Me If

"I get wonderful recipes," gushed the bride. "I got one for Egyptian stew and one for a never-fail stain remover this morning."

"Which is this?" asked the husband suddenly laying down his fork.

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War Hits Paint Industry

Some Supplies Cut Off — Substitutes Found

Because the paint industry brings many of its normal raw materials from widely scattered countries, it has been rather vulnerable to the interruptions to supplies arising out of the war. But because there are a number of substitute materials in most cases, the situation has not become critical.

Right now probably the shortage that is bothering paint manufacturers in Canada as much as anything is zinc oxide, a material which is likely to be in reduced supply for some time to come, according to Paint and Varnish Magazine, Toronto. Metals Controller Bateman has a part in cutting down supplies of zinc oxide. Another factor is the necessity of shipping zinc spelter from Canada to Britain where the zinc oxide is made. Transport thus becomes a problem both ways.

Ordinarily paint makers use a combination of zinc oxide and white lead. A lithopone (zinc sulphide) and lead combination is just about as satisfactory, being only slightly less successful in retaining tints and in hardness. It appears that the only other practical substitutes are titanium oxide or to use more white lead. Titanium oxide itself is scarce and is imported from the United States. Lead compounds are in most ample supply.

China Wood Oil

The paint industry uses a number of what are termed "drying oils." Under ordinary circumstances the best and most commonly used for most purposes are China wood oil or tung oil, oiticica oil and perilla oil. There is no shortage of linseed, soya bean or castor oils, all of which are valuable drying oils for the paint industry.

China wood oil comes from China and has been hard to get for some time. It is made from the nuts of trees grown on waste, or non-arable, land in China. Before the Japanese-Chinese war, Shanghai was a major collecting and processing centre. Now what China wood oil gets out from China has to come over the Burma Road with consequent added cost and interrupted supplies. In 1937 a tank car of China wood oil cost about $9,000; last spring one Toronto paint manufacturer bought a tank car that cost $25,000.

Perilla Oil

Perilla oil is not heard of as much as is China wood oil but it is used for the same purpose. It comes from a small bush which grows in Manchuria. Processing is done in Japan. Last year there was a short crop and now imports from Japan are cut off entirely. Perilla oil is much quicker drying than linseed oil and more expensive, even under normal conditions, but has advantages in making a durable product.

Oiticica oil comes from South America and the Far East and is also used as a drying oil in paints. Imports have been sharply reduced by the war.

Linseed oil has long been used in paint as a drying oil and there is no apparent shortage here. Processed castor oil is being used to substitute for oils that are scarce. Soya bean oil is another substitute.

New Patent Oils

Ault & Wiborg Proprietary Ltd. last year got Canadian patent rights to the production of "Polymerol" and "Kolzol." The former is a fast drying oil used as a substitute for China wood oil. Kolzol is a slow drying oil used as a substitute for rape seed oil which used to come from Manchuria. Both are made largely from linseed and soya bean oils.

Lacquer Solvents

In making lacquers an essential item is an appropriate solvent. Ethyl acetate, or acetone, was the most widely used solvent for this purpose but it is no longer available. Supplies are needed for munitions manufacture. A ready substitute is found in methyl ethyl ketone, a solvent which was neglected prior to the war because of its odor. Toluol is another material normally used in paint manufacture as a lacquer thinner but now needed for making T.N.T. Additional supplies are expected to be available this fall from other sources.

Aluminum powder for paint is hard to get now and aluminum paint is practically a thing of the past. There is no real substitute for aluminum paint for some purposes. It has a glittery, silver appearance and low heat-absorptive powers. The latter made it particularly valuable for such uses as painting petroleum tanks. Now a white house paint over a red lead primer is quite satisfactory.

One effect of war shortages in paint materials has been a reduction in colors offered by manufacturers. Hardware and Metal, Toronto, quotes one manufacturer who says that this company has reduced its color selection from 30 to 24 as a wartime measure. Of these 24 colors only about 12 have a heavy turnover.

Container Troubles

Other manufacturers, Hardware and Metal points out, are cutting down sizes of containers. The ordinary tin can used as a paint container may not be readily available in the future and the problem of substitutes is getting a good deal of consideration. Terne plate (lead coated) is not made in Canada although coming into wide use in paint containers in the United States. Coating of tin on paint cans has already been cut down by about 10% in certain types at the request of Metals Controller Bateman.

Wartime shortages has stimulated research among paint manufacturers. They have been successful in finding many substitutes for materials where shortages threatened. Some of these new materials may earn a permanent place in paint manufacture.

Paint prices have been influenced by the higher cost of many materials examples of which have been given here. According to Hardware and Metal first quality prepared paints now sell at $3.62 a gallon. When the war started, the same paint was quoted at $3 a gallon. Current levels are far from a record, however, as $4.25 a gallon was charged in 1925-26 and paint sold as high as $5.30 a gallon in 1920.

The Week in Business

Canadian business makes further advances. The Financial Post monthly business index rose to a new high level in July with the D.B.S. weekly index of business activity as at Aug. 16 showing gains to be maintained.

Railway carloadings for week ended Aug. 16 above year ago. Cumulative to date up 15%.

Railway gross traffic earnings for third week of August show substantial gains for both roads. Totals for 1941 to date up 23% for C.N.R. and 31% for C.P.R.

Newsprint production in July below 1940 level. Total for first seven months 3% lower than year ago.

Canadian exports in July almost 70% above previous year. Total for seven months 36% higher.

Lumber exports decline in July. Seven months total about 4% lower than year ago.

Cigarette consumption higher for July and for seven months.

Bond sales down slightly in July compared with year ago. Total for seven months 10% higher.

Trend of business shown by The Financial Post Business Index, new factors for the week being marked thus ▪.

TREND OF BUSINESS—	Aug. 16	Aug. 9	Aug. 2	July 26	Aug. 17/40
Weekly index of business, D.B.S.	115.1	114.8	114.2	113.5	104.4
Commodity prices index no.	91.4	91.2	91.0	91.1	82.5
	July	June	May	Apr.	Year Ago
▪The Financial Post business index	°157.8	155.1	150.3	147.9	139.5
National Income, D.B.S. ♦	....	436.2	439.6	432.4	381.5
Retail sales index no.	....	134.3	134.7	135.3	116.6
▪Dept. store sales index no.	132.5	123.1	129.2	133.4	114.6
Wholesale sales index no.	....	140.0	148.4	141.7	136.3
Country store (% change pr. yr.)	....	+5.2	+8.8	+13.3	+8.3
COST OF LIVING—					
D.B.S. index	111.9	110.5	109.4	108.6	105.6
Family weekly budget	....	$18.50	$18.30	$18.23	$17.72
EMPLOYMENT INDEX Nos., D.B.S.	June 1	May 1	Apr. 1	Mar. 1	Year Ago
▪All industries	153.0	145.5	141.3	135.3	120.9
▪Manufacturing	167.9	162.3	158.2	150.8	129.2
RAILWAYS—	1941	1940	Jan. 1 to date 1941	Jan. 1 to date 1940	% Change
▪Carloadings (week Aug. 16)	64,247	57,121	1,931,787	1,683,557	+14.7
▪C.N.R. gross (week Aug. 21) $	5,832,195	4,737,566	184,599,741	149,935,302	+23.1
▪C.P.R. gross (week Aug 21) $	4,742,000	3,311,000	132,491,000	100,855,000	+31.4
▪C.N.R. net revenue (July) $	4,916,312	4,172,586	37,024,523	20,372,668	+82.0
C.P.R. net revenue (June) $	4,068,304	2,923,054	19,919,694	12,636,006	+57.6
IRON AND STEEL—(June)					
Pig iron production (tons)	112,313	88,656	625,551	549,627	+13.8
Steel ingots and castings prod. .... (tons)	187,163	166,213	1,148,435	958,240	+19.8
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (June)	8,108	12,604	58,087	69,702	—16.7
Factory output .. (July)	3,849	3,397	69,048	75,576	—8.6
Trucks and Buses:					
Domestic sales* .. (June)	3,557	2,950	20,766	16,897	+22.9
Factory output ... (July)	20,605	11,071	106,477	49,838	+117.7
Financing:					
Used .... (June) $	5,911,251	4,860,525	28,677,863	21,402,739	+34.0
New .... (June) $	3,764,209	3,979,592	22,670,186	19,611,966	+15.6
CONSTRUCTION—					
Contracts awarded . (July) $	31,954,800	29,305,600	247,421,400	154,741,100	+59.8
Cement prod., bbls. (May)	861,000	732,000	2,392,746	1,798,862	+33.0
AGRICULTURE—					
Flour prod., bbls. .. (June)	2,117,976	1,170,238	10,016,499	7,567,572	+32.3
Flour exp., bbls. .. (July)	1,921,655	313,864	7,383,795	4,065,870	+81.6
Wheat exp., bush. . (July)	19,346,333	11,867,516	113,367,659	79,569,798	+48.8
Cattle sales▴ .... (July)	108,627	106,634	585,289	556,194	+5.2
Hog sales▴ .... (July)	434,808	372,204	3,446,217	2,695,636	+27.8
SEA FISHERIES—‡					
Catch cwts. .... (June)	1,044,000	814,000	3,645,800	4,829,500	—24.5
Landed value ..... (June) $	2,823,100	1,754,300	7,544,330	6,316,200	+19.4
NEWSPRINT—					
▪Production, tons ... (July)	293,483	332,689	1,914,617	1,974,876	—3.0
Exports .... (June) $	15,168,000	12,688,000	71,657,357	66,078,845	+8.4
MINING AND OILS—					
Coal prod., tons ... (June)	1,157,727	1,159,552	8,390,938	8,264,448	+1.5
Coal import, tons .. (June)	2,465,684	2,414,108	6,033,483	6,727,131	—10.3
Gold rec., fine oz. . (July)	433,184	401,186	2,983,063	2,846,800	+4.8
▪Crude oil, imp. gals† (June)	183,271	158,725	643,834	552,069	+16.6
ELECTRIC POWER OUTPUT—(June)—					
Total monthly, 1,000 kw.h.'s	2,560,060	2,578,883	15,732,385	14,968,503	+5.1
FOREIGN TRADE—♦					
Imports .... (June)	114,923,715	90,704,835	645,284,416	496,100,785	+30.0
▪Exports .... (July)	170,907,283	101,463,170	891,220,590	655,174,199	+36.0
OTHER INDUSTRIAL FACTORS—					
▪Dressed lumber exp.: 1,000 bd. ft .... (July)	223,186	243,617	1,174,554	1,229,922	—4.5
Shoes, prod., pr. ... (June)	2,781,325	1,750,984	14,956,922	12,725,941	+17.5
Cotton consump., lb. (June)	15,915,739	15,376,128	98,620,217	96,600,255	+2.0
▪Raw rubber imp. lb. (June)	6,312,139	2,361,871	55,749,702	41,033,486	+35.8
▪Cigarette cons. No.† (July)	772,165	648,304	4,580,845	4,344,892	+5.4
Sugar manufactured .. lb.‡	109,736,695	99,553,443	475,729,983	483,403,070	—1.4
FINANCE—					
Bank debits† ...... (June) $	4,240,630	2,681,585	18,610,099	17,001,690	+10.5
▪Bond sales† .... (July) $	111,439	119,284	1,385,142	1,258,152	+10.0
▪Life insurance sales (July) $	32,681,000	28,159,000	231,447,000	216,527,000	+6.9

*D.B.S. All Canada figure covering over 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▴Total at yards and plants. New items for week marked ▪
†000's omitted. ‡For four weeks to July 5. ♦Gold excluded.
♦Millions of dollars. °Preliminary.

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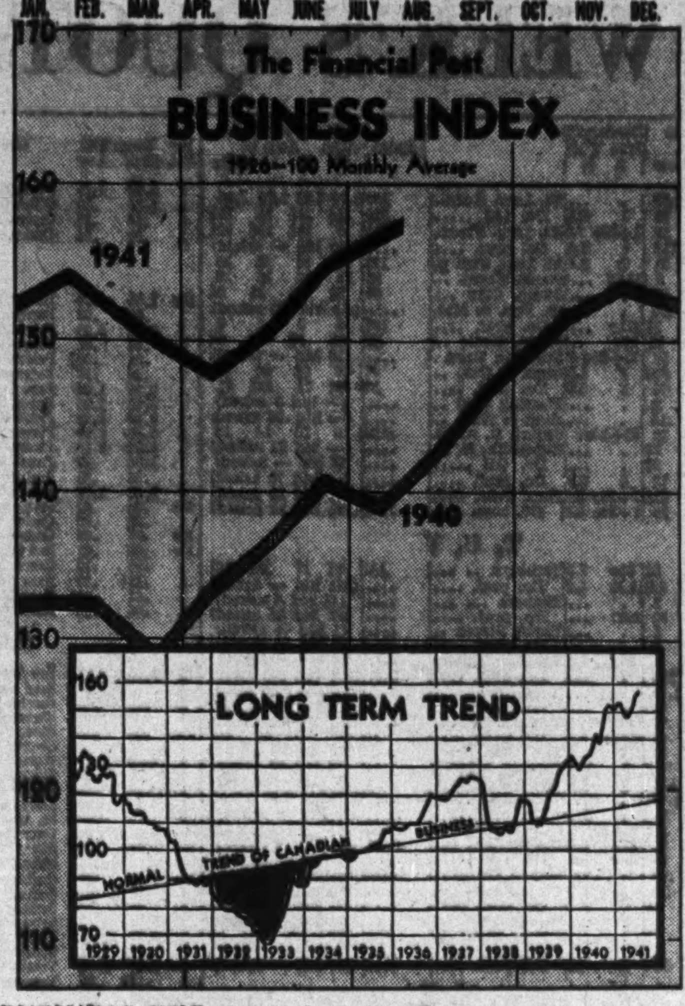

BUSINESS EXPANDS FARTHER

Business operations in Canada expanded farther in July over the high level reached in June. The advance in June reflected the influence of heavy contracts obtained by the construction industry. The increase in July was mainly due to expansion in industries connected with the production of war supplies.

The Financial Post Business Index at 157.8, based on preliminary figures, was 13% above the level of a year ago.

MAJOR ECONOMIC FACTORS

		July 1941	July 1940	Percentage Change July '41 to July, 1940	June 1941
F. P. Business Index	1926=100	157.8	139.5	+13.1	155.1
Gold receipts at mint	fine oz.	453,184	401,186	+13.0	405,631
Silver shipments	fine oz.	1,926,162	1,827,175	+5.4	1,452,257
Flour production (June)	bbl.	2,117,976	1,170,238	+81.0	2,121,397
Sugar manufactured	lb.	109,736,695	99,553,493	+10.2	102,412,562
Canned salmon exports	cwt.	2,616	11,415	—77.1	9,512
Newsprint production	tons	293,483	332,689	—11.8	273,697
Wood pulp exports	cwt.	2,637,470	2,077,002	+27.0	2,221,105
Planks and boards exported	M. ft.	223,186	243,617	—8.4	189,316
Shingles exported	squares	345,064	243,161	+41.9	310,917
Automobile production	No.	24,654	14,468	+70.4	25,753
Construction contracts awarded	$	31,954,800	29,305,600	+9.0	85,747,500
Exports	$	170,907,283	101,463,170	+68.4	146,822,378
Butter output	lb.	39,336,498	40,106,416	—1.9	40,636,806
Factory cheese production	lb.	25,222,509	24,721,478	+2.0	25,761,626
Cattle slaughterings	No.	155,582	138,667	+12.2	154,080
Sheep and lamb slaughterings	No.	64,269	60,481	+6.3	39,947
Hog slaughterings	No.	374,159	335,815	+11.4	402,302

C. N. R. Hits New High During July

Net Earnings $4.9 Millions, an Increase of $743,726 Over 1940

From Our Own Correspondent

MONTREAL.—July net earnings of Canadian National Railways were the highest for that month of any in the company's history.

Totalling $4.9 millions they exceeded those for July, 1940, by $743,726, which was the previous record July.

Operating revenue rose to $25.7 millions from $22.4 millions, an increase of $3.3 millions, but operating expenses increased by $2.5 millions to $20.7 millions.

Operating Costs Gain

This trend of higher operating costs, if gaining further momentum threatened to absorb much of the betterment in gross income.

In the seven months to July 31 operating revenue totalled $167.4 millions, an increase of $31.3 millions. Operating expenses rose by $14.6 millions to $130.3 millions. Net revenue for the period amounted to $37 millions, an increase of $16.7 millions over the corresponding period of 1940.

Operating Statement

July:	1941 $	1940 $
Oper. revenue	25,655,442	22,395,032
Less: Oper. exps. ..	20,739,130	18,222,446
Net revenue	4,916,312	4,172,586
Seven Months to July 31:		
Oper. revenue	167,370,930	136,076,583
Less: Oper. exps. ..	130,346,407	115,703,915
Net revenue	37,024,523	20,372,668

New Building

WAR PROJECTS

Major war construction projects initiated by recent contract awards of the Dept. of Munitions and Supply include:

R.C.A.F. station, unnamed location in Nova Scotia, wood construction unit, $91,000.

Repair depot, Scoudouc, N.B., heating system, $112,000.

Plant unit at Canadian Car & Foundry plant, Montreal, $68,000.

Reported by Engineering & Contract Record:

North Vancouver Ship Repairs Ltd. has awarded contract for construction of 10,000-ton floating drydock, adjoining its plant at North Vancouver. It will double capacity of the present yard and plant.

Dominion Dept. of Public Works has awarded general contract for erection of temporary office building at cost of $292,000.

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Newfoundland Sales Of Salt Cod Drop

Substantially lower exports of salt codfish during July are reported by the Newfoundland Fisheries Board. Total shore and Labrador fish exported in July this year was 32,406 qtls. (a quintal equals 112 lb. dry weight), compared with 62,966 qtls. in the same month last year. Salt-bulk shipments increased to 9,546 cwt. from 1,722 cwt. because of a British order last month for 9,520 cwt.

Largest factor in the total decline was the shipment last year of 34,882 qtls. of bank and shore fish to Portugal. July shipments to the Mediterranean country this year totalled 11,108 qtls. Brazil exports of this type dropped to 8,969 qtls. from 1,468 qtls.

Urban Building Eases To Last Year's Level

Urban building continued to ease off in July in comparison with the substantial gains of earlier months of the year, holding at a level only 2% above July, 1940. However, the cumulative total for the first seven months shows an increase of nearly 29% over the same period last year.

As reported to the Dominion Bureau of Statistics, the provisional total of building permits issued by the 204 Canadian municipalities with permit systems was $12,216,493, compared with $11,961,321 in July, 1940. Total for the first seven months is set at $75.8 millions compared with $59.8 millions in the same months of 1940. In July new residential construction accounted for close to 50% of the permit total, of which 75% was new building of all types.

Bakers Are No Farther Ahead

Lose on Shortening Prices Gains on Tax Withdrawal

Removal of the 15 cents per bushel processing tax on wheat has already been nearly overbalanced by the rise in lard and shortening prices in the past month or so, bakery executives inform The Financial Post.

The rise in the cost of fats comes at a time when most bakers are still working off inventories of flour purchased before the tax was withdrawn and have not as yet benefitted from the reduction in costs.

In a little over a month, lard has risen from 6½ to 14 cents per lb., shortening from 8 to 15¾ cents. Reasons given for the increases are the recent export of lard to Britain, the licensing of imports of vegetable oils, and the consequent shift of demand from vegetable to animal fats on the part of soap producers and other users. Sows, the principal source of lard, are being kept for breeding the increased hog requirements with a consequent drop in sows slaughtered.

To a great extent, lard and shortening can be used interchangeably in bread production, from 6 to 8 lb. being needed for every barrel of flour used. The increase in bread production costs runs up to 60 cents per barrel of flour, against the cost reduction of 70 cents per barrel effected by the tax withdrawal. Approximately 100 24-oz. loaves can be made from a barrel of flour. Cakes and pastries are still harder hit with the rise in shortening boosting production costs from 30 to 50%.

With the tax saving pretty well wiped out before it could affect earnings, the main improvement in the bakers' position coming out of recent regulations is the saving of roughly one eighth of a cent per loaf resulting from simplified wrapping and the end of ready-sliced bread. Combined effect of this economy and the balance of the tax saving is to leave bakers approximately one fourth of a cent per loaf of a saving initially estimated at two thirds of a cent.

On confectionery the bakers have lost substantially more than the tax saving owing to the high shortening content, the rise in sugar prices and the growing scarcity and costliness of cocoanut, walnuts, candied peel, etc.

Cotton Activity At New High

Canadian Textile Mills Use Record of 46,852 Bales in July

From Our Own Correspondent

MONTREAL. — Consumption of raw cotton by Canadian textile mills reached the highest level of activity on record in July, according to figures released by the Cotton Institute of Canada.

There were 46,852 500-lb. gross bales opened during the month, compared with 43,721 bales in June, and 42,958 bales in July, 1940. Previous peak was reached in April this year when 46,404 bales were opened by Canadian textile mills.

In the first seven months of the present year bales opened totalled 314,854, against 299,840 in the corresponding period last year.

The Cotton Institute index of raw cotton consumption, including volume of cotton yarn imports, stood at 180.8 in July, compared with 177.9 in the previous month and 164.9 in July, 1940. Record index of activity of 181.1 was reached in April this year.

Canadian Rails In U. S. Active

From Our Own Correspondent

MONTREAL. — Subsidiary and controlled lines of Canadian railways in the United States have been reporting substantially better operating results in the current year.

In the six months ended June 30, Canadian National Lines in New England incurred a net operating deficit of $252,534, compared with a deficit of $340,951 in the same period last year, according to the Association of American Railroad.

Net operating income of Canadian Pacific Lines in Maine rose to $618,755 in the six months from $447,106.

Grand Trunk Earnings Double

C. P. Lines in Vermont pared net operating loss to $187,525 from a deficit of $245,569.

Grand Trunk Western reported net operating income of $3.5 millions in the first half of the year, compared with $1.8 million.

Duluth, South Shore & Atlantic increased operating income to $203,982 from $95,668.

Minneapolis, St. Paul & Sault Ste. Marie almost doubled operating income to $1.7 millions from $849,092.

Newfoundland Fish Stocks Show Gain

July Salt Codfish Totals 152,637 Qtls., Slightly Below Last Year

Stocks of salt codfish in hands of Newfoundland licensed exporters gained during July to a figure slightly below that for July 31, 1940, according to the Newfoundland Fisheries Board.

Stock of salt codfish at July 31 amounted to 152,637 qtls. (112 lb. dried weight) which represents a comparative increase over preceding months, but is still slightly lower than 157,897 qtls. reported in July, 1940.

In preceding months fewer Newfoundlanders have been following the fisheries, due to attraction in other pursuits, notably the U. S. bases construction and other industry.

The new catch, however, has been more satisfactory than last year, despite fewer persons employed in the fisheries. In the first seven months of the current year there were 415,249 qtls. of codfish salted, compared with 381,087 qtls. in the same period of 1940, and 344,055 in 1939.

"Old" fish in stock at July 31 totalled 7,287 qtls., compared with 6,271 qtls. at the same time last year. The rest of stock is from the current seasons' catch.

Newfoundland has some large orders on hand for fish and the near future may see a decrease of stocks on hand.

Quebec Names Special Officer to Treasury

From Our Own Correspondent

MONTREAL.—The government of Quebec has announced appointment of J. H. Bieler as special officer of the treasury to assist Hon. J. Arthur Mathewson.

Mr. Bieler was former budget director of the League of Nations and is a graduate of McGill University. He was taken to the League as secretary to Sir Herbert Ames, first treasurer of the League. He was later promoted budget director.

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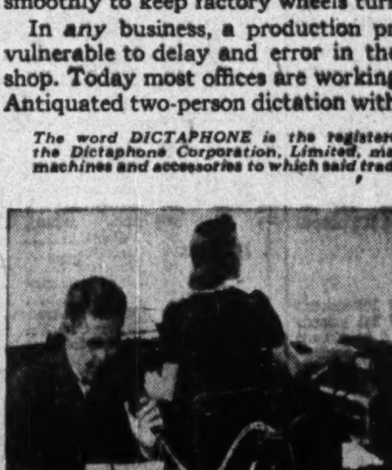

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THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING AUGUST 25

Range 1941 High	Low	Div R'te $	Aug23 Y'ld %		Sales	Last Aug. 18	Week end. Aug. 25 H	L	Cl'se
				A					
.90	.50	.	...	Abitibi	227	.75	.75	.70	.75
8	4	.	...	Do. pref. 6%	603	6	6¼	5	6¼
12¾	8	.	...	Do. pref. 7%	....	(6 bid 10 asked)			
3	1	.	...	Acme Glove	....	(2 bid — asked)			
60	50	6.50	13	Do. pref.	....	(50 bid 60 asked)			
13	11¼	80+20c	8	Agnew Surp.	....	(12¾ bid 13 asked)			
108	105	7	6.6	Do. pref.	....	(107 bid — asked)			
1.50	.75	.	...	Alta. Pac. Gr.	200	1.00	1.50	1.25	1.50
32	24¼	.	...	Do. pref.	93	25	32	25	32
10	7	.	...	Algoma Steel	10	9¼	9	9	9
97¼	84¼	5	5.6	Do. pref.	25	86	90	90	90
115	98	8	7.8	Aluminium	170	100	102	101	102
120	117	6	5.1	Do. pref.	....	(115 bid — asked)			
7¼	5¼	25c	...	Amal. Electric	40	5¼	5¾	5¼	5¾
37	37	60c	1.6	Amer. Cyn. B.	....	(33 bid — asked)			
46	44	2.75	6.2	Ang. Can. Tel. p	....	(— bid 47 asked)			
19¼	14¾	60+80c	6¼	Asbestos	210	18	19	18¾	19
17¼	14¼	1	6.1	Assoc. Brew	210	16¼	16¼	16	16¼
111	108¼	7	6.3	Do. pref.	10	110	111	111	111
*2	2	.	...	Assoc. T. & T.A.	....	(— bid — asked)			
‡24	24	48c	..	Do. pref.	....	(— bid — asked)			
§103	101	5.50	5.3	Ault & Wiborg	....	(98¾ bid — asked)			
				B					
147	140	8	5.6	Bk. Can. Nat.	1	143	143	143	143
195	171	8	4.4	Bk. Montreal	53	182	182¼	182	182
285	267	12	4.4	Bk. N. Scotia	8	270	270	270	270
250	240	10	4	Bk. Toronto	5	245	246¼	246¼	246¼
*5	4¼	.	...	Barcelona	....	(— bid — asked)			
1.25	.35	.	...	Barker's Bread	....	(.35 bid — asked)			

Range 1941 High	Low	Div R'te $	Aug23 Y'ld %		Sales	Last Aug. 18
.15	.15	.	...	For. Pr. Secs.	....	(— bid
13¼	10¾	1	7.4	Foundation Co.	295	13¼
10	4¼	.	...	Fraser Cos.	1	10
11¼	5¾	.	...	Do. Vot. Tr.	334	10
.50	.50	.	...	Freiman	5	..
47	41	.	...	Do. pref.	....	(40 bid
9¾	6	‡55c	11	Gatineau Pwr.	328	7¼
90	70	5	6.7	Do. pref.	50	75
95¼	75	5.50	6.9	Do. 5½% pref.	15	79
1.25	.25	.	...	Do. Rights	....	(— bid
6¼	4¼	.	...	Gen. St. Wares.	360	5¼
94	86	7+27c	..	Do. pref.	10	90
80	66	2.50+1.50		Goodyear Tire.	5	73
56	52¾	2.50	4.6	Do. pref.	30	54
*50	50	‡3	...	Gould Pumps	....	(— bid
4	2¼	.	...	Gt. Lakes Pap.	....	(3 bid
§29	18¼	‡75c	..	Do. pref.	....	(— bid
3¾	1¾	.	...	Do. Vot. tr.	28	3¾
19¾	12	‡75c	..	Do. Vot. tr. p.	9	16¼
5¼	1¾	.	...	Gt. W. Saddlery	....	(— bid
30	25	3.75	...	Do. pref.	....	(26 bid
11¼	9¼	60c	6.3	Greening Wire.	....	(9¼ bid
§1.25	1.25	10c	...	Growers' Wine.	....	(— bid
4¼	2¼	.	...	Gurd, Chas.	....	(2¾ bid
§107¼	106¼	.	...	Do. pref.	....	(— bid
3¾	2	.	...	Gypsum, Lime.	85	3¼
				H, I		
17	16¼	1	...	Halifax Fire	100	16¼
5¼	2¾	.	...	Ham. Bridge	261	3¾
36	34¼	2+2a	5¼	Ham. Cot., pf.	10	35¼
1.10	.65	.	...	Ham. U. Theat.	....	(.50 bid
75	65	5	6.7	Do. pref.	12	72

Government Bonds

Dominion of Canada Bonds (Supplied by Investment Dealers' Assoc. of Canada)

Dominion of Canada Bonds Aug. 27, 1941

%	Due	Bid	Ask.	Approx. Yld.
5	Nov. '41	100¼	101	.97
1¼	May '42	100¼	100¾	.50
2	June '42	100¾	101¼	.41
3	Oct. '42	102	102¼	.85
2¼	June '43	101¾	102¼	1.25
5	Oct. '43	106¾	107	1.70
2	June '44	100¾	101¼	1.55
a2¼	Jan. '44	97¼	98¼‡	2.89
4¼	Oct. '44	107¼	108¼	1.80
2¼	Nov. '44	101¾	102¼	1.70
a2¼	Aug. '45	96¼	97¼‡	3.17
4	Oct. '45	104¼	105	b1.65
4¼	Feb. '46	109	109¾	2.20
3¼	June '49	102¾	103¼	b2.48
3¼	Oct. '49	102¼	103¼	b2.43
3¼	Nov. '51	101¼	102	b2.94
3¼	Feb. '52	101¼	102	b2.91
a5	May '52	102	‡102¼	b1.62
4	Oct. '52	105¾	106¼	b2.85
3	Oct. '52	98¼	99¼	3.08
3	June '55	98¼	99¼	3.07
4¼	Nov. '56	107¾	108¼	b2.83
4¼	Nov. '57	107¾	108¼	b2.98
3	June '58	98¼	99	3.07
4¼	Nov. '58	108¾	109¼	b3.03
4¼	Nov. '59	109¼	110¼	b3.07
a4	Oct. '60	101¼	‡102¼	b3.70
a3¼	Jan. '61	92¼	93¼‡	3.72
3¼	June '66	100¾	101¼	b3.15
a3e	Jan. '67	88¼	89¼	‡3.63
a3e	Nov. '68	88¼	89¼‡	3.60
†3	Perpet'l.	93	93¾	3.20
*4¼	June '55	117¼	118¼	3.13
5	Feb. '54	116¼	117¼	3.28
*3e	July '69	115	116	b1.20
*3e	Oct. '69	118¾	119¾	b2.82
*3e	Feb. '70	118¾	119¾	b2.87
3	Feb. '53	98	99	3.10

Dominion Guarant'd. Bonds — Can. Nat'l. Railways:

%	Due	Bid	Ask.	Yld.
2	Feb. '43	100¼	101¼	1.25
2¼	Jan. '46	100¼	101¼	1.75
3	May '44	102¼	103¼	1.73
3	Dec. '50	99	100	3.00
3	Feb. '53	98	99	3.10
3	Jan. '59	97¼	98	3.15
*4¼	Sept. '51	115	116	2.67
*4¼	Feb. '56	115¼	116¼	3.10
4¼	July '57	115¼	116¼	3.17

Grand Trunk Pacific Rly.:

%	Due	Bid	Ask.	Yld.
3	Jan. '62	98¾	99¾	3.01

Provincial Gov't. Bonds

%	Due	Bid	Ask.	Yld.
New Brunswick:				
3	Oct. '51	90	92	3.93
3¼	Aug. '49	93	95	3.98
3¼	June '56	93¼	96¼	3.81
c4	Nov. '47	98	100	4.00
c4¼	Apr. '61	101	103	4.27
c5	Jan. '60	104	107	4.46
Nova Scotia:				
3	Jan. '52	95	96¼	3.38
3¼	June '56	95	97	3.51
3¼	Nov. '50	98¼	100	3.50
c4¼	Sept. '52	106	107¼	b3.14
c4¼	Nov. '60	109	111¼	3.67
c5	Mar. '60	115	117	3.72
Ontario:				
2¼	May '45	99¼	100¼	2.43
3	Apr. '48	99¼	100¼	b2.95
3	Nov. '50	98¼	99¼	3.07
3¼	Nov. '51	100	101	b3.11
3¼	May '55	100	100¾	b3.17
*4	June '62	108	110	3.33
4¼	June '50	110	111	3.07
*4¼	Jan. '62	114	116	3.41
5	Oct. '48	111¼	112¼	3.05
*5	Dec. '60	120	122	3.44
5¼	July '46	111	112	2.90
Ont. Hydro Commission:				
3	Aug. '48	99¼	100¼	b2.90
3¼	Feb. '53	100	101	b3.11
3¼	Apr. '47	101¼	102¼	3.01
Prince Edward Island:				
3	Oct. '45	95	97	3.69
Quebec:				
3	Nov. '47	96	97¼	3.45
3¼	Mar. '48	97	98	3.60
3¼	Mar. '59	95	97	3.73

%	Due	Bid	Ask.
4	Nov. '52	99¼	102
3¼	Feb. '55	98	99
4¼	Aug. '58	102	104
4¼	Jan. '63	104	107
Alberta:			
4	Dec. '54	63¼	67¼
4¼	Oct. '51	66	71
4¼	Oct. '56	64	68
*5	Oct. '59	66	70
c5¼	Apr. '52	67	72
6	Mar. '47	71	76
British Columbia:			
c4	Dec. '57	97	102
*4¼	Jan. '51	101	104¼
c4¼	Oct. '53	101	105
c5	Apr. '54	104	108
5¼	Feb. '45	102	106
6	Feb. '47	105	109
Manitoba:			
c4	Dec. '57	89¼	93¼
c4¼	Dec. '56	93¼	97¼
*5	Dec. '59	97	101
5¼	Oct. '55	99	103
6	Apr. '47	101	104
Saskatchewan:			
4	Sept. '54	72	75
4	Nov. '60	71	75
c4¼	Oct. '51	82¼	87¼
c4¼	Mar. '60	76	80
5	Aug. '58	81	85
5¼	Oct. '52	87	90
6	Mar. '52	91	95

*—Payable Can., N.Y. and £. b—Calculated to call date giving lowest possible yield. c—Payable Can. & N.Y. a—Payable N.Y. †—Callable on or after Sept. 15, 1966. d—Traded flat. Interest being paid at 50% of coupon rate, minimum rate 3%. e—Callable at a premium. ‡—N.Y. funds.

Winnipeg Stocks

(Transactions from Aug. 18 to Aug. 23)

	Sales	High for period	Low for period	Clos Aug. 23
Beaver Lumber	75	3.75	3.00	3.00
Do., pref.	100	102.50	102.50	102.50
Canadian Fire	10	78.00	78.00	78.00
Crescent Creamery, pfd.	11	10.50	10.50	10.50
Franco Oils	100	.28	.28	.28
Knee Lake	125	.01	.01	.01
Sachigo River	50	3.50	3.50	3.50
United Grain Growers	11	9.50	9.50	9.50
Western Steel Prod.	103	8.00	7.00	8.00
Wingold	2,800	.09	.08¾	.08¾

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Grouped Inc.	..	5⅛
Can. Airways	1	..	Home Invest.	15½	..
Can. Indemnity	150	..	Nor. Can. Mtg. p.	5	..
Corr. P. Box, c.	.60	.80	Nor. Trusts	7	..
Dom. Envelope	8	9½	Traders Bldg.	43	..
Do., pref.	94¼	100¾	West. Brew.	1⅝	2
Fed. Grain, c	.35	.50	West. Grain, p.	..	9
Fed. Grain, p.	30	..	Wings vot. tr.	.40	..

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Aug. 26	7,300	8,600	176,000	......
Aug. 25	5,000	5,600	87,000	3,350
Aug. 23	2,000	2,600	87,000	8,969
Aug. 22	12,000	7,700	173,000	14,906
Aug. 21	8,900	16,300	199,000	14,463
Aug. 20	11,800	8,100	116,000	11,250

Investment Trusts

	Bid	Asked
Affiliated Funds	2.39	[illegible]
Can. Amer. Trust	3.00	[illegible]
Can Inter. Trust	4.00	[illegible]
Can. Invest. Fund	3.25	[illegible]
Corporate Investors	5.50	[illegible]
Trans-Can.	9.65	[illegible]

Municipal Bonds

Aug. 26, 1941

	%	Due	Bid	Ask
†Halifax	5	1961	112.00	115.00
Hamilton	5	1950	108.25	111.25
Montreal	5	1945	94.00	96.00
Ottawa	4½	1945	103.75	106.25
†Quebec	5	1959	106.00	109.00
Saint John	5	1950	102.00	105.00
†Toronto	4½	1955	110.00	114.00
†Vancouver	5	1950	100.00	102.00
Winnipeg	5	1944	102.00	104.00

†Payable Can. and N.Y.

Annual Meetings

1941:	Company	Place
Sept. 4	Agnew-Surpass Shoe	Brantford
Sept. 5	Hudson's Bay Co.	London, Eng.
Sept. 22	Kerr Lake Mines	Toronto
Sept. 22	Puebla Tram., Lt. & Pwr.*	London, Eng.
Sept. 23	Mexican Lt. & Pwr.*	Toronto
Sept. 25	Int. Paper & Pwr.†	Boston
Sept. 29	Paymaster Cons.	S. Porcupine

*Bondholders. †Special.

Mining Dividends

	x Rate	Aug. 25	Yield %
Anglo-Huronian	▲10c	2.65	..
Aunor Gold	12c	1.72	..
Beattie Gold	16c	1.11	14.4
Bralorne	80c+40c	11.25	*10.7
Broulan Porc.	12c	.75	16
Buffalo Ankerite	▲20c	4.20	..
Bulolo Gold	$3	17.12	17.5
Can. Malartic	8c	.54	14.8
Cariboo Gold	16c+8c	2.30	*10.3
Central Patricia	16c+6c	1.95	*11.2
Chesterville	10c	1.35	..
Cochenour Willans	3c	.65	..
Coniagas	▲17½c	1.05	..
Coniaurum	16c	1.26	12.6
Cons. Smelters	$1+$1.50	38.00	*6.6
Delnite	▲3c	.75	..
Dome Mines	$2	22.50	8.9
East Malartic	▲20c	2.23	..
Falconbridge	15c	3.30	..
Francoeur Gold	▲4c	.50	..
Goldale	‡2c	.12	..
Gold Belt	▲2c	.25	..
Grandview	▲1½c	.15	..
Gunnar Gold	6c	.25	..
Hallnor	60c	3.90	15.3
Hard Rock	▲5c	.74	..
Hedley Mascot	8c	.47	..
Hollinger	65c+45c	12.75	*8.6
Howey Gold	▲2c	.20½	..
Hudson Bay	$2	28.00	7.4
Inspiration	†2c	.24	..
Inter. Nickel, com.	$2	34.25	5.8
Island Mountain	▲8c	1.00	..
Jason	†2c	.36	..
Kerr Addison	▲22c	4.50	..
Kerr Lake	‡10c	.30	..
Kirkland Lake	10c+2c	.69	*17.4
Kootenay Belle	▲6c	.25	..
Lamaque Gold	40c+15c	4.50	*12.2
Lake Shore	$1.40	14.50	9.6
Leitch	8c	.46	17.4
Little Long Lac	▲10c	1.80	..
Macassa	32c+3c	3.85	*9.1
Madsen R. Lake	‡6c	.63	..
Malartic Gold	†5c	1.30	..
McGillivray Coal	‡3c+1c	.20	..
McKenzie Red L.	12c	1.09	11
Moneta	8c	.36½	..
McIntyre-Porc.	$2.22+$1.11	49.75	*6
MacLeod-Cockshutt	‡20c	1.90	..
Naybob Gold	4c	.26	..
Negus	†5c	.50	..
Nipissing	15c	1.20	12.5
Noranda	$4	53.75	7.4
North Empire	▲20c	4.75	..
O'Brien Gold	10c	1.45	..
Pamour Porc.	12c	.96	12.5
Pato Cons.	20c+2c	2.40	*9.1
Pend Oreille	†6c	1.60	..
Perron Gold	16c+4c	1.42	*14
Pioneer, B.C.	40c	2.50	16
Pickle Crow	40c	2.95	13.5
Placer Develop.	$1.20	8.50	14.1
Premier	12c	.88	13.6
Preston E. Dome	20c+10c	3.10	*9.7
Privateer Mines	▲9c+3c	.47	..
Quebec Gold	‡2c	.22	..
Relief Arlington	‡5c	.03	..
San Antonio	14c+6c	2.35	*8.5
Sheep Creek	16c	.96	*16.6
Sherritt Gordon	▲5c	.80	..
Sigma Mines	▲30c	7.20	..
Silbak Premier	16c	.80	20
Siscoe	▲6½c	.51½	..
Sturgeon River	4c	.16	..
Sudbury Basin	▲2½c	1.55	..
Sullivan Cons.	▲5½c	.62	..
Surf Inlet	▲1c	.10	..
Sylvanite Gold	28c	2.50	11.2
Teck-Hughes	40c+5c	2.80	*16
Toburn	12c+5c	1.45	*11.7
Upper Canada	▲11c	1.76	..
Ventures	▲10c	4.50	..
Waite Amulet	▲20c	4.75	..
Wendigo	3c	.23	..
Wright-Harg.	40c+30c	4.00	*17.5
Ymir Yankee	2c	.05½	..

*Yield including bonus. †Initial. ‡Paid in 1940. ▲Paid or declared payable in 1941 to date.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass	40c	Sept. 2	Aug. 15
Do., extra	20c	Sept. 2	Aug. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Aluminium	$2	Sept. 5	Aug. 15
Do., pref.	†$1.50	Sept. 1	Aug. 8
Amal. Elec.	▪25c	Aug. 30	Aug. 15
Anglo-Can. Tel., c.	15c	Sept. 2	Aug. 15
Asbestos Corp.	15c	Sept. 30	Sept. 15
Do., bonus	15c	Sept. 30	Sept. 15
Aunor Gold	4c	Sept. 3	Aug. 15
Bk. Can. Nat.	$2	Sept. 2	Aug. 15
Bk. of Montreal	$2	Sept. 2	July 31
Bk. of N. Scotia	$3	Oct. 1	Sept. 15
Bk. of Toronto	$2.50	Sept. 2	Aug 15
Bathurst P. & P., A	25c	Sept. 1	Aug. 15
Beattie Gold	4c	Sept. 23	Sept. 9
Borden's	30c	Sept. 2	Aug. 15
Brazilian Tr., pfd.	$1.50	Oct. 1	Sept. 15
Burlington Steel	15c	Oct. 1	Sept. 15
Canada Dry	†15c	Sept. 24	Sept. 10
Can. Wire & C., A	$1	Sept. 15	Aug. 31
Do., B	50c	Sept. 15	Aug. 31
Do., pref.	$1.62½	Sept. 15	Aug. 31
Canada Cement, p.	$1.25	Sept. 20	Aug. 30
Can. Indust., A, B	$1.50	Oct. 31	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Canadian Oil, pf.	$2	Oct. 1	Sept. 20
Canada Malting	50c	Sept. 15	Aug. 30
Can. Gen. Electric	$2	Oct. 1	Sept. 13
Can. Nor. Power	15c	Oct. 25	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Canadian Car, pfd.	44c	Oct. 10	Sept. 20
Can. Cottons	$1	Oct. 1	Sept. 15
Do., pref.	$1.50	Oct. 1	Sept. 15
Can. Gen. Invest.	12½c	Oct. 15	Sept. 30
Can. Perm. Mtge.	$2	Oct. 1	Sept. 15
Can. Malartic	2c	Sept. 26	Sept. 5
Can. Cr. Stone	10c	Sept. 30	Sept. 15
Canada Vinegars	10c	Sept. 1	Aug. 15
Can. Breweries, pf.	75c	Oct. 1	Sept. 13
Corr. Paper Box, p.	$1.75	Sept. 2	Aug. 15
Can. For. Inv., pf.	▪$2	Oct. 1	Sept. 15
Can. Int. Inv. Tr., p.	50c	Sept. 2	Aug. 15
Canada Starch, c.	50c	Sept. 15	Sept. 8
Can. & D. Sugar	▪37½c	Sept. 2	Aug. 15
Cent. Patricia	4c	Sept. 30	Sept. 15
Do., extra	2c	Sept. 30	Sept. 15
Coniaurum Mines	4c	Sept. 25	Sept. 12
Cariboo Gold	4c	Oct. 1	Sept. 3
Do., extra	2c	Oct. 1	Sept. 3
Can. Bakeries, pf.	$2.50	Oct. 1	Sept. 19
Carnation C., 1 p.	†$1.25	Oct. 1	Sept. 19
Chartered Trust	$1	Oct. 1	Sept. 15
David & Frere, A	25c	Sept. 30	Sept. 15
Dominion Tar, p.	$1.37½	Nov. 1	Oct. 14
Dom. Textile	$1.25	Oct. 1	Sept. 15
Do., pref.	$1.75	Oct. 15	Sept. 30
Dom. Foundries p	$1.50	Sept. 2	Aug. 20
Dom.&Ang. Inv. p	$1.25	Sept. 1	Aug. 15
Dom. Scott. Inv., pf	▪50c	Sept. 1	Aug. 20
Dist.-Seagram	55½c	Sept. 15	Aug. 30
East Malartic	▪10c	Aug. 30	Aug. 1
English Elec. A	62½c	Sept. 15	Aug. 30
Electrolux	†20c	Sept. 15	Sept. 4
Famous Players	25c	Sept. 27	Sept. 6
Falconbridge N.	5c	Sept. 29	Sept. 9
Granby Cons.	†15c	Sept. 2	Aug. 15
Gt. Lakes Pap., A. B, p.	25c	Oct. 1	Sept. 22
Gatineau Pwr.	15c	Sept. 30	Sept. 2
Do., 5% pref.	$1.25	Oct. 1	Sept. 2
Do., 5½% pref.	$1.37	Oct. 1	Sept. 2
Greening Wire	15c	Oct. 1	Sept. 15
Hallnor Mines	15c	Sept. 3	Aug. 15
Hollinger Cons.	5c	Sept. 9	Aug. 26
Hudson's Bay, p.	1+1½%•	Sep 12	Aug 22
Hinde & Dauch	12½c	Oct. 1	Sept. 15
Honey Dew	50c	Oct. 1	Sept. 15
Hamilton Cotton, p.	50c	Oct. 1	Sept. 15
Do., arrears	25c	Oct. 1	Sept. 15
Imperial Tobacco	10c	Sept. 30	Sept. 5
Do., pref.	3%	Sept. 30	Sept. 5
Int. Coal & Coke	1½c	Sept. 10	Sept. 4
Int. Nickel	†50c	Sept. 30	Sept. 2
Lake of W. Mill., p.	$1.75	Sept. 2	Aug. 16
Lake Shore M.	35c	Sept. 15	Aug. 30
Lamaque Gold	10c	Oct. 1	Sept. 10
Lang, J. A.	17½c	Oct. 1	Sept. 15
Loblaw, A. B.	25c	Sept. 2	Aug. 11
Loblaw Groc.	†20c	Sept. 1	Aug. 15
Louisiana Land	†10c	Sept. 15	Sept. 2
Laura Secord	20c	Sept. 1	Aug. 15
Langley's, pref.	50c	Sept. 12	Sept. 3
MacKinnon Stl., p.	$1.25	Sept. 15	Aug. 30
Macassa Mines	8c	Sept. 15	Aug. 30
McIntyre Porc.	55½c	Sept. 2	Aug. 1
McKenzie Red L.	3c	Sept. 15	Aug. 30
Montreal Loan	311c	Sept. 15	Aug. 31
Montreal Cottons	$1	Sept. 15	Aug. 30
Do., pref.	$1.75	Sept. 15	Aug. 30
Nor. Am. Elev., p.	$1.75	Sept. 1	Aug. 22
Northwest Util., p.	$1.50	Sept. 1	Aug. 26
Nat. Biscuit, c.	†40c	Oct. 15	Sept. 16
Do., pref.	†$1.75	Aug. 30	Aug. 15
Noranda	$1	Sept. 15	Aug. 20
N. S. Lt. & Pr., p.	$1.50	Sept. 2	Aug. 15
Ogilvie Flour, pf.	$1.75	Sept. 2	Aug. 16
Ottawa L. H. & Pr.	15c	Oct. 1	Aug. 27
Do., pref.	$1.25	Oct. 1	Aug. 27
Photo Engravers	50c	Sept. 2	Aug. 15
Perron Gold	▪4c	Sept. 22	Aug. 30
Do., extra	▪1c	Sept. 22	Aug. 30
Petrol Oil & G.	▪2c	Oct. 1	Sept. 15
Pioneer Gold	10c	Oct. 1	Aug. 31
Pressed Metals	†25c	Sept. 2	Aug. 15
Paton Mfg.	50c	Sept. 15	Aug. 31
Do., pref.	$1.75	Sept. 15	Aug. 31
Preston E. Dome	5c	Oct. 15	Sept. 30
Pickle Crow	10c	Sept. 30	Sept. 15
Prov. Bank	$1.50	Sept. 2	Aug. 15
Remington Rand	†20c	Oct. 1	Sept. 10
Do., pref.	†$1.12½	Oct. 1	Sept. 10
Royal Bank	$2	Sept. 2	July 31
Rolland Paper, pf.	$1.50	Sept. 2	Aug. 15
Reliance Grain, p	$1.62½	Sept. 15	Aug. 31
R. S. Mills	50c	Oct. 1	Sept. 10
Sunset Oils	1½c	Sept. 15	Sept. 5
Sylvanite Gold	7c	Sept. 30	Aug. 16
Stuart D. A. Oil, p	20c	Sept. 1	Aug. 15
Siscoe Gold	2c	Sept. 15	Aug. 16
Simon & Sons	15c	Sept. 27	Sept. 13
Do., pref.	$1.75	Sept. 27	Sept. 13
Teck-Hughes	10c	Oct. 1	Sept. 10

DIVIDEND NOTICES

NOTICE OF DIVIDEND

Famous Players Canadian Corporation

Limited

NOTICE is hereby given that a quarterly dividend of Twenty-Five Cents (25c) per share has been declared on all issued common shares of the Company without nominal or par value, payable on Saturday, the 27th day of September, 1941, to shareholders of record Saturday, the 6th day of September, 1941.

By Order of the Board.

N. G. BARROW, Secretary.

Dated at Toronto, this 21st day of August, 1941.

Ottawa Light Heat and Power Company, Limited

The following dividends are payable 1st October, 1941, to Shareholders of record 27th August, 1941.

Preferred Stock: 1¼% (being at the rate of 5% per annum.)

Common Stock: Fifteen Cents (15 cts.) per share on the No Par Value Shares.

The transfer books will not be closed.

By Order of the Board,

F. W. FEE, Secretary.

OTTAWA, 20th August, 1941.

DIVIDEND NOTICE

Canadian General Electric Company, Limited

Notice is hereby given that a dividend of two dollars per share for the quarter ending September 30, 1941, has been declared on the Common Stock of the Company.

That the above dividend is payable on October 1, 1941, to shareholders of record at the close of business on September 13, 1941.

By Order of the Board.

W. H. NESBITT, Secretary.

Toronto, August 21, 1941.

A Moco Fabric

The Montreal Cottons Limited

NOTICE IS HEREBY GIVEN THAT A DIVIDEND OF ONE PER CENT (1%) has been declared upon the Common Stock of the Company, and cheques will be mailed on the fifteenth day of September next, to shareholders of record at the close of business on the 30th day of August, 1941. By Order of the Board,

CHAS. GURNHAM, Secretary-Treasurer.

Valleyfield, August 20th, 1941.

A Moco Fabric

The Montreal Cottons Limited

NOTICE IS HEREBY GIVEN THAT A QUARTERLY DIVIDEND OF ONE AND THREE QUARTERS PER CENT (1¾%), being at the rate of Seven per cent (7%) per annum, has been declared upon the preferred stock of the Company, and cheques will be mailed on the fifteenth day of September next, to shareholders of record at the close of business on the 30th day of August, 1941.

By Order of the Board,

CHAS. GURNHAM, Secretary-Treasurer.

Valleyfield, August 20th, 1941.

Imperial Tobacco Company of Canada, Limited

DIVIDEND

NOTICE is hereby given that an Interim Dividend (No. 144) of ten cents (10c) per share on the paid-up Ordinary Shares of the Company has been declared payable on Tuesday, the 30th day of September, 1941, to shareholders of record at the close of business on Friday, the 5th day of September, 1941.

A Semi-Annual Dividend (No. 59) of three per cent. (3%) on the paid-up Preference Shares of the Company has been declared payable on Tuesday, the 30th day of September, 1941 to shareholders of record at the close of business on Friday, the 5th day of September, 1941.

By Order of the Board,

A. L. ROBERTSON, Secretary.

Montreal, P.Q., 22nd August, 1941.

DIVIDEND NOTICE

CANADA MALTING CO., LIMITED

NOTICE is hereby given that a quarterly dividend of Fifty Cents (50c) per share has been declared on the no par value stock of the Company. The above dividend is payable September 15th, 1941, to Shareholders of record at the close of business on the 30th day of August, 1941. The books of the Company are to be closed from September 1st, 1941, to September 13th, 1941, inclusive.

Share Warrant Holders will present Coupon Serial No. 55 to the Royal Bank of Canada, MONTREAL, TORONTO, WINNIPEG and CALGARY, on or after September 15th, 1941.

By Order of the Board,

JOHN P. HEIGHTON, Secretary.

Dated at Montreal, August 19th, 1941.

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of TWO PER CENT. on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable

Wednesday, the First Day of October

next to Shareholders of record at the close of business on the Fifteenth day of September, 1941.

By order of the Board.

WALTER F. WATKINS, Secretary.

Toronto, August 20th, 1941.

Dividends Declared (Cont'd)

	This payment	Date payable	Date of record
Toronto Elev., p.	65½c	Sept. 6	Aug. 28
Upper Can. Mines	4c	Aug 30	Aug. 15
Union Gas	20c	Sept. 15	Aug. 20
United Fuel, p.	75c	Oct. 1	Sept. 20
Vulcan Br. Pet.	1½c	Aug. 28	Aug. 20
Waite Amulet	10c	Sept. 10	Aug. 18
Walker-Good.	$1	Sept. 15	Aug. 22
Do., pref.	25c	Sept. 15	Aug. 22
Weston, George, c.	20c	Oct. 1	Sept. 12
Willson Stat., pfd.	$1.25	Oct. 15	Sept. 30
Wilsil	25c	Oct. 1	Sept. 15
Wright-Harg.	10c	Oct. 1	Aug. 21
Do., extra	5c	Oct. 1	Aug. 21

†Payable in U. S. funds. ▪Subject to approval of Foreign Exchange Control Board. •Distribution from land sales account.

Canadian Beer Exports Now Circle the Globe

Reports that a Canadian brewing concern had received an order for 400,000 cases of beer for export to India and the Middle East are regarded as considerably exaggerated in brewing circles.

According to one authority, with domestic demand some 16% ahead of last year, it would take the spare capacity of the entire Canadian industry about six months to meet a 400,000-case order.

On a considerably smaller scale, shipments have been made to Calcutta, Bombay, Karachi and Cairo, a new development for the Canadian industry. This accompanies enquiries from Great Britain, never before an importer from Canada. It is not known whether the British enquiries are for home consumption or for the troops in the east.

Exports to the West Indies and South America have also increased, based on transportation difficulties for British products, the same factor underlying the eastern shipments. It is believed to be as yet too early and the shipments too small to hope that a permanent export business is being built up in the Orient.

Company Reports

Canada Packers

A gain of 25.4% in net sales value over 1940 is shown in the annual statement of Canada Packers Ltd. for the year ended March 27, 1941. The $22 millions increase, after allowing for expenses and taxes left per share earnings down 57 cents from the previous year, at $7.77, still well above the $4 annual dividend rate.

Increase of nearly $1.2 million in wages and salaries, $800,000 each in materials and expenses, and over $400,000 in income and excess profits taxes, accounted for the absorption of the increase in sales. In addition, the cost of livestock purchased rose more proportionately than sales, with the result that average net profit per pound of product fell from 1/5 cent in 1940 to 1/7 cent in 1941.

Wartime reserve against inventories was allowed in the latest year at $380,000, down $199,000 from last year's big allotment. Working capital, including inventories valued at $10.4 millions was up $620,000 (nearly 9%) on the year.

Consol. Income and Surplus Account

Years Ended	Mar. 27, 1941 $	Mar. 28, 1940 $
Net sales	110,291,840	88,205,640
Add.: Invest. income	4,037	1,866
Prof. on properties	....	3,971
Total income	110,295,877	88,211,477
Less: Cost of livestk.	88,959,695	69,767,159
Mater. & pkgs.	3,279,580	2,461,790
Wages & salaries	8,879,264	7,738,781
Expenses	4,612,389	3,808,775
Wartime inv. res.	380,000	579,000
Depreciation	907,657	898,082
Bond int.	69,825	95,565
Prov. corp. & munic. taxes	250,638	278,230
Inc. & E. P. taxes	1,325,000	916,285
Invests. w/o	76,801	....
Net profit	1,555,028	1,667,810
Less: Dividends	900,000	800,000
Surplus for year	655,028	867,810
Add: Prev. surp.	8,106,942	7,239,132
Surplus forward	8,761,970	8,106,942
Earned per Share	$7.77	$8.34
Paid	*4.50	4.00

*Owing to change of payments from $3 per annum plus $1 extra to a regular $1 per quarter, 1941 earnings were charged with $4.50 per share dividends. Annual rate remains the same as in previous years at $4 per share.

Working Capital

Current assets	18,598,635	17,111,622
Current liabilities	10,847,789	9,981,290
	7,750,846	7,130,332

DIVIDEND NOTICES

Canadian Car & Foundry Company Limited

DIVIDEND NOTICE PREFERENCE STOCK

Notice is hereby given that a dividend of forty-four cents (44c) per share on the paid up Preference Stock of the Company for the quarter ending September 30th, 1941, has been declared, payable on the 10th day of October, 1941, to Shareholders of record on the 20th day of September, 1941.

By Order of the Board.

A. C. BOURNE, Secretary.

Montreal, August 25th, 1941.

TEXTILE DOMINION CO. LTD.

Dominion Textile Co. Limited

Notice of Preferred Stock Dividend

A DIVIDEND of One and Three Quarters per cent. (1¾%) has been declared on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 30th September, 1941, payable 15th October, 1941, to shareholders of record 30th September, 1941.

By order of the Board,

L. P. WEBSTER, Secretary.

Montreal, 21st August, 1941.

TEXTILE DOMINION CO. LTD.

Dominion Textile Co. Limited

Notice of Common Stock Dividend

A DIVIDEND of One Dollar and Twenty-five cents ($1.25) per share, has been declared on the Common Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 30th September, 1941, payable 1st October, 1941, to shareholders of record 15th September, 1941.

By order of the Board,

L. P. WEBSTER, Secretary.

Montreal, 21st August, 1941.

Preston East Dome Mines, Limited

(No Personal Liability)

DIVIDEND NO. 8.

NOTICE is hereby given that the regular quarterly dividend of five cents per share has been declared on the issued Capital Stock of the Company, payable in Canadian funds, October 15th, 1941, to shareholders of record at the close of business on the 30th day of September, 1941.

By Order of the Board.

L. I. HALL, Secretary.

Toronto, August 20th, 1941.

The Hamilton Cotton Company Limited

DIVIDEND NOTICE

Notice is hereby given that the regular quarterly dividend of 50 cents per share on the outstanding Preferred Shares of the Company, together with 25 cents per share against the outstanding Dividend arrears on the Preferred Shares, be paid on October 1st, 1941, to shareholders of record at the close of business on Monday, September 15th, 1941.

By Order of the Board.

JOHN BOWSTEAD, Secretary.

Hamilton, August 25th, 1941.

FOR SALE — 50 Western Assurance at $46, yielding over 5%

A. J. Pattison, Jr. & Co.

Royal Bank Bldg., Toronto

EL. 5101

Prov. Transport Builds Garage

Traffic Pointing to New Record in Current Year

From Our Own Correspondent

MONTREAL.—Construction of a new garage has been commenced by Provincial Transport Co. in Montreal. Including land, equipment and machinery, cost of the new plant will be $400,000.

The new building will be completed by Dec. 1, it is expected, and will replace present facilities.

The company, one of the largest operators of coach lines in the Dominion, reports traffic in the current year running well ahead of the same period of 1940. Since the outbreak of war the company's equipment has been in full use providing transportation for military and industrial purposes. This activity has increased further in the current year and promises to carry traffic in 1941 beyond the previous record set in 1940.

Expenses Offset Gains

In the latter year the company carried 6.2 million passengers, an increase of 1.4 million over 1939.

Net results for the year are more uncertain because of indeterminable factors of taxation and operating costs.

In 1940 total operating revenue increased to $2.1 millions from $1.6 million, but net profit declined to $140,322 from $155,534, because of higher operating expenses and income and "excess" profits tax provision.

Higher operating charges this year, such as increased fuel costs, will mean the full extent of gross improvement will not be reflected in net profit.

Gasoline Ration Effect

In the past two years the company has earned its 40 cent common dividend payment by a comfortable margin. In 1940 net profit was equal to 56 cents a share on the stock, against 62 cents in 1939.

Imposition of gasoline rationing in the event the voluntary appeal of the oil controller is not effective will have an important bearing on operations. It is generally believed the company would not be subject to restriction because of the "essential" character of its activities. If gasoline rationing is placed upon private consumers and not commercial vehicles, the company anticipates a further sharp rise in traffic.

Name Committee On Alberta Bond Refunding

Members of the bondholders committee to discuss plans for refunding the Province of Alberta's defaulted debt of $147 millions have been named by H. L. Spankie, secretary of the Northern Alberta Protective Committee.

Sessions of the bondholders committee and government representatives will commence negotiations in Edmonton Sept. 16.

Following are members of the bondholders committee and the Alberta treasury board:

Bondholders

COURTLAND ELLIOTT—A. E. Ames & Co., Toronto.

H. W. TATLOCK — Newark, N.J., representative of U. S. bondholders.

H. A. HOWARD—Calgary.

R. D. TIGHE—Edmonton, chairman of the Northern Alberta Bondholders' Protective Committee.

Treasury Board

HON. SOLON LOW—Provincial treasurer.

HON. N. E. TANNER — Minister of lands and mines.

HON. DR. W. W. CROSS—Minister of health and relief.

J. F. PERCIVAL—Deputy provincial treasurer.

Commodities

Although commodity markets continued irregular, advances were in the majority. Cotton prices were firm under a good demand from manufacturers as well as from the U. S. Government for war purposes. Livestock prices were firmer, both hogs and cattle prices being higher under a heavier demand in both Canada and the United States.

Of the four spot commodity price indices, two were higher, one lower and one unchanged. Dow Jones future commodity price index was higher.

	Latest week	Previous week	Same week last yr.
Cattle	$9.75	$9.60	$8.75
Hogs	14.65	14.60	12.00
Copper, lb.	.12	.12	.11½
Cotton, lb.	.1694	.1669	.0971
Rubber, lb.	.22⅝	.22⅝	.19⅝
Silk, lb.	3.57	3.57	2.51
Sugar, raw, lb.	.0370	.0370	.0265
Wheat, Man. (bu.)	.72⅛	.73¾	.72½
Coffee, lb.	.1338	.1338	.0675
Hides	.15	.15	.09¾
Weekly Indices			
Canada (D.B.S.)	91.4	91.2	82.5
Do., Wood, Gundy	74.4	74.5	64.1
U. S. Labor	89.6	89.6	77.2
Dow Jones (future)	79.04	78.50	49.48
Fishers	97.0	96.7	81.0
Monthly Indices			
Canada (D.B.S.):			
Retail (July)*	111.9	110.5	105.6
W'sale (June)	90.0	88.5	81.8
U. S. (May)	84.9	83.2	78.4
Gt. Brit. (July)	153.2	152.4	139.7

Note:—The base of indices is that 1926 equals 100. *Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Raw Kans. No. 1 coffee, Santos. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis.

Week in Wheat

Heavy Rains Reduce New Crop Deliveries

About 11 Million Bushels Have Come in so Far — Quota Has Been Increased at Several Points to 8-10 Bushels

From Our Own Correspondent

WINNIPEG.—Deliveries of new crop wheat by farmers in western Canada now amount to some 11 million bushels. They would have been larger except for widespread rains since grain was ripe which have prevented harvesting and threshing. It does not appear that any considerable damage to grain grades has yet occurred from this source, although such damage is always a possibility if wet harvest weather persists long.

Farmers' deliveries of wheat are restricted by quota to five bushels per acre of the basic acreage for each farm, which is usually 65% of that seeded in 1940.

Already the quota has been increased at a number of individual points to 8 and 10 bushels.

There will be comparatively little difficulty in accommodating first quota deliveries at most elevator points. Railway cars for shipment of grain out of country elevators are carefully rationed, under regulations imposed by the Canadian Wheat Board, and shipments are allowed only from points where room is needed.

New Storage Complete

Completion of the new temporary storage annexes at the head of the lakes is providing accommodation for grain shipped out of country elevators, even though shipment out of lake head terminals is now at a comparatively low rate. The reduced rate of movement is not primarily because the number of lake vessels available for moving Canadian grain has been reduced, it is mainly because eastern terminals are now congested because transatlantic movement of wheat has not been taking place as rapidly during recent weeks as was the case up to a couple of months ago.

The open market price of wheat has remained sufficiently above the level of wheat board initial payments to ensure that practically all grain disposed of by farmers has been sold outright instead of being turned over to the Canadian wheat board. There has been a fairly strong demand from Canadian millers for wheat, presumably against sales of flour currently being made. This has been sufficient to absorb offerings so far.

The market does not feel the effect of demand from Great Britain, as all supplies required by the British Cereals Import Committee have been negotiated for directly with the wheat board.

Market observers note that the Canadian milling demand cannot possibly be great enough to take care of all new crop offerings during the year. It might, however, take care of the bulk of early sales by farmers, if Canadian flour purchasers are sufficiently anxious to book their requirements ahead for a considerable time.

* * *

Watching Russia

Market observers are watching for any signs of buying Canadian wheat for Russian account. It is assumed that if Russia sees any chance of moving any large volume of wheat, the situation might be protected in advance by accumulation of Canadian wheat futures. United States wheat would hardly be bought when its price is 50% or more above the price of Canadian wheat. There is always the possibility, however, that it might be found as convenient, if not more so, to move Australian wheat. That consideration will be the important one if present operations in Iran result in opening up a supply route to Russia by way of the Persian Gulf and the Caspian Sea.

* * *

Revising Estimates

As cutting and threshing have proceeded in the west, there have been considerable revisions of local yield estimates. On the whole, increases have tended to be balanced by decreases. It is now disclosed that damage from saw fly infestation has been heavy, bearing out the predictions entomologists made earlier in the season, which in many cases were contrary to the expectations of farmers who were not inclined to believe in the pest until full evidence of its depredations was available.

On the whole Manitoba crops have perhaps not come fully up to expectations, with damage in Saskatchewan somewhat less than feared, and that in Alberta somewhat greater.

Recent rains have probably been important in increasing feed supplies, especially in areas where grain crops have been poor, and increasing the ability of farmers to carry on livestock operations. The strong prices prevailing for oats and barley reflect, up to the present, rather an eagerness on the part of purchasers to secure supplies, than reluctance on the part of western producers to dispose of their grain. Western farmers do not usually sell their crops in advance of the time of actual delivery, and with respect to coarse grains they are characteristically slow to decide on selling instead of retaining feed grains.

* * *

The Grain Exports

The Bureau of Statistics records the total exports of Canadian wheat and flour for the 1940-41 crop year at 230 million bushels, the great bulk of which, of course, was shipped to Great Britain, with some percentage of loss by sea.

During the latter months of the crop year United States millers took a good deal of Canadian wheat to mill in bond for such export business as they were able to do, Canadian supplies, because of the combination of low price and high quality displaced purchases of American wheat.

An interesting development in Argentina has been the purchase by the government of that country of a number of Italian ships. These, dispatches from Buenos Aires state, will assist the country in disposing of its grain surplus. To the extent that they are employed in shipments to Great Britain it is believed that the tendency will be to use them for corn rather than for wheat. The Canadian wheat board is again this year allowing farmers to deliver wheat in excess of quotas for the benefit of the Canadian war services fund, and appeals for such deliveries are now being made by posters displayed at country elevators.

Nfld. Railway Gets U. S. Loan

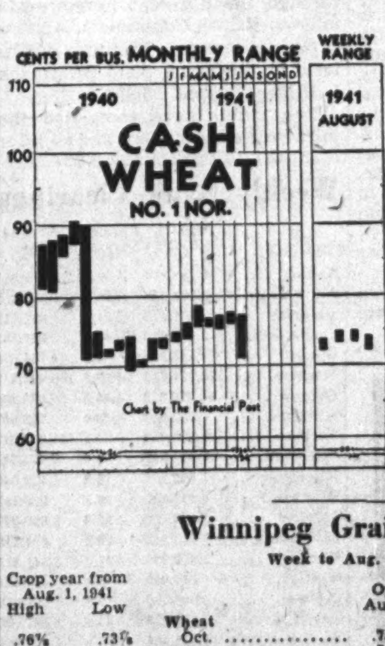
From Our Own Correspondent

MONTREAL.—A loan of $2.1 millions has been obtained by the government-owned Newfoundland Railway from the United States Reconstruction Finance Corporation. The loan will be used for heavy additions to rolling stock equipment, necessitated by the heavy load placed upon the road transporting goods, materials and men to U. S. and Canadian defense bases, as well as by the considerably higher volume of commerce.

The loan carries a coupon of 2½% and principal is repayable in 15 years.

New repair facilities will be built, additional rolling stock acquired, including 100 flatcars, 50 boxcars, five locomotives, eight coaches and three sleeping cars.

Wheat Prices



Cash Quotations

	For Week Aug. 25 High	For Week Aug. 25 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard	.73⅜	.72⅛	.74¾	.73¾
1 Nor.	.73¾	.72⅛	.74¾	.73⅜
2 Nor.	.71¼	.69⅝	.72¼	.71¼
3 Nor.	.68¼	.66¾	.69¼	.68⅜
4 Nor.	.67⅛	.65¾	.68¼	.67¼
5 Wheat	.65	.64⅛	.66	.65
6 Wheat	.63	.62⅛	.64	.63
Feed	.57⅞	.56⅛	.59	.58
Oats:				
2 C. W.	.49⅛	.46⅞	.46⅛	.43⅝
3 C. W.	.46⅝	.44⅝	.43⅞	.41⅜
Barley:				
1 Feed	.48⅞	.47⅛	.48⅝	.47
2 Feed	.48⅝	.46⅝	.48⅜	.46¾
Flax.				
1 C. W.	1.47⅞	1.44	1.46¾	1.44¾
2 C. W.	1.43⅞	1.40	1.40¾	1.39½
Rye:				
2 C. W.	.55	.54	.53¾	.54

Winnipeg Grain Futures

Week to Aug. 25, 1941

Crop year from Aug. 1, 1941 High	Low		Open Aug. 19	High for week	Low for week	Close Aug. 25	Close year ago
		Wheat					
.76¾	[illegible]	Oct.	.75	.75¼	.73⅛	.73⅛	.73⅝
.78½	[illegible]	Dec.	.76⅝	.76⅞	.74¾	.74¾	.74⅝
.82¼	[illegible]	May	.80½	.81½	.79	.79	.....
		Oats					
.46¾	[illegible]	Oct.	.43¾	.46¾	.43¾	.44¾	.28½
.44½	[illegible]	Dec.	.41¼	.44⅛	.41¼	.42⅛	.27
.44	[illegible]	May	.41¼	.44	.41¼	.42⅛	.28⅛
		Barley					
.53	[illegible]	Oct.	.50¼	.52¾	.50	.50⅛	.34½
.52¾	[illegible]	Dec.	.50¼	.52¾	.49⅞	.49⅞	.34
.53½	[illegible]	May	.51¼	.53¼	.50	.50	.35¼
		Flax					
1.48	[illegible]	Oct.	1.44	1.48	1.44	1.46¼	1.33¾
1.47¼	[illegible]	Dec.	1.44	1.47¼	1.44	1.46¼	1.32
1.49	[illegible]	May	1.48	1.49	1.47	1.50	1.36
		Rye					
.57¼	[illegible]	Oct.	.54⅛	.56⅛	.54½	.54½	.42¾
.58	[illegible]	Dec.	.55½	.57⅛	.55⅜	.55⅜	.43¼
.60⅝	[illegible]	May	.58⅝	.59⅝	.57¾	.57⅜	.45½

Canadian Women Agree that PURITY FLOUR is "Best for All Your Baking"

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WESTERN CANADA FLOUR MILLS COMPANY, LIMITED

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BRANCHES FROM COAST TO COAST

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WINNIPEG, MAN.

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Country and Terminal Elevator Operators

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MANITOBA · SASKATCHEWAN · ALBERTA

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OPERATING TERMINAL ELEVATORS—FORT WILLIAM—PORT ARTHUR—VANCOUVER

423 COUNTRY ELEVATORS THROUGHOUT THE WEST

101 COAL SHEDS

Our Service and Facilities Guarantee Satisfaction

— RECLEANED WESTERN —

OATS

AND OTHER GRAINS

BULK or SACKED

All Grains Selected from Our Elevators in the Finest Growing Districts of Western Canada

Prompt Shipment From Fort William

For Quotations Write or Wire

NATIONAL GRAIN Cº LTD.

WINNIPEG

GRAIN MERCHANTS

RECEIVERS · SHIPPERS · EXPORTERS

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Winnipeg Grain Exchange

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JAMES RICHARDSON & SONS

EST. 1857 LIMITED

Ban on Millfeed Exports Unbalances Other Items

The day-to-day nature of the complete ban on exports of millfeeds is regarded by milling company executives as heralding some more definite arrangement after the end of the month. First imposed up to Aug. 25, the ban has since been given a two-day extension.

Restriction of millfeed exports to the United States, and the fixing of the Canadian price on July 15, left a spread of $3 per ton between Canadian and U.S. prices of bran, shorts and middlings. Since then the spread has widened to around $10 per ton, with Boston bran quotations $35 per ton against the pegged Canadian price of $25, f.o.b. Montreal. Canadian shorts are fixed at $26 and middlings at $29 per ton.

Relatively low price of millfeeds in Canada has not helped the competitive position of Canadian millers in the free export markets as flour prices are adjusted in keeping with the profit available on by-products, which has, of course, been restricted by the feed price peg. Forward selling of flour, effected prior to July 15, was also based on the prospect of $3 more per ton of millfeed than has been realized. In the meantime, sales of milled feeds have gained relative to coarse grains, because of the lower pegged price. This has further cut into the milling company profits with the result that August has proved to be a poorer month from the earnings point of view than would be indicated by the continued capacity level of flour milling

The pegging of one product out of the many produced by the milling companies, if maintained would eventually force a revision of the prices in other fields.

Cigarette Use Near Record

From Our Own Correspondent

MONTREAL. — Canadians are sending up in smoke a record number of cigarettes these days. A greater proportion of war-created prosperity is being used for larger purchases of cigarettes than at any time during the war with the exception of the spring of 1940, official figures reveal.

According to the Dominion Bureau of Statistics there were 772.2 million cigarettes released for consumption in July, second only to May, 1940, when the figure was 808.3 millions. Gain over July last year was 19%.

In the previous five months of July cigarettes released for use average 637.5 millions. Last month represents an increase of 21% over this average.

Cigar manufacture, generally less popular with smokers, rose by 41% during July over average of the preceding five years.

Maclaren Advance Power Delivery

From Our Own Correspondent

MONTREAL.—Delivery date of an additional 20,000 h.p. from MacLaren-Quebec Power Co. to the Ontario Hydro-Electric Commission has been advanced from Nov. 1 to immediate delivery. Ontario is taking the power ahead of contract to relieve increased demand on the Niagara system.

Delivery of an additional 20,000 h.p. was to have been made Nov. 1 under an agreement ratified by Ontario Legislature April 7, 1938. The advance in date will bring electricity being supplied by Ontario system by Maclaren-Quebec Power Co. to 10,000 h.p. The latter figure is maximum delivery, and was scheduled for Nov. 1, 1944.

Arrangements have been made to make available to Ontario another 25,000 h.p. when additional water storage facilities now being constructed are completed by the company.

Insurance

Life Insurance Seen As Inflation Hedge

Diverts Money From Buying of Goods — Larger Amounts Required to Meet Needs of Dependents When Cost of Living Rises

What is the place of life insurance in wartime when prices are rising?

In the opinion of life insurance executives it can play two important functions: the first in helping widows and orphans to meet the increased cost of living; the second, as a check on inflationary tendencies.

Up till a few months ago the rise in the cost of living was moderate and very gradual. Recently, however, the upward trend has become more pronounced. The result, according to a computation of the Dominion Bureau of Statistics, is an increase of about 11% in the cost of living over prewar levels. The tendency still appears to be upward.

Controls Established

Early in the war Canada established a board to control prices and prevent unjustified price rises. But while these controls can prevent speculation and profiteering, they cannot prevent the advances due to increased costs of production, transportation, and higher taxes. Increased demand that comes from the larger income of the people is also a factor tending to increase prices that is hard to control.

More Insurance Needed

Rising prices and the resultant higher cost of living are of particular moment to the great majority of life insurance beneficiaries whose income is more or less fixed.

A higher cost of living, M. A. Linton, president of the Provident Mutual Life Insurance Co. and former president of the Actuarial Society of America, stated recently, "means more life insurance will be needed to do an adequate job for the individual." Thus, for instance, with living costs up 11%, a beneficiary today would need an income of $670 to provide the same standard of living as $600 two years ago.

But the need of more insurance is seen as due not only to higher living costs but to lower interest rates. When 5% is available on investments the beneficiary does not need as much capital as when only 3% or less is available.

Thus, for example, to give an income of $600 a year when interest rates are around 5%, $12,000 insurance is necessary. But when interest rates are only 3%, it takes $20,000 to give the same income.

Checks Inflation

Another point stressed by Mr. Linton was the work that life insurance can do in checking inflationary trends. Money used to purchase life insurance is money saved. It is not used for the purchase of goods in competition with the government buying. In Canada it aids the war effort also.

This year, for example, practically all the income of the life insurance companies is being invested in war bonds.

Lower interest rates are also reducing the income of the companies themselves. Companies accordingly find it necessary in some instances to charge higher premiums. There is no concerted move in this direction, action depending to a large extent on the investment position of the individual company's list of bond or mortgage maturities.

But as rates have been falling now steadily for about 10 years the proportion of high yield securities in the portfolios of all the companies is steadily becoming smaller. In participating policies, many of the companies have made adjustments in the last few years by reducing dividends. In non-participating policies the only solution in many cases is to increase the premium.

Bank Chat

British banks are apparently having difficulty in finding adequate loan outlets for their funds and are employing a greater proportion in investments. According to recent advice, the combined statement of the British clearing banks shows that investments and securities have changed places. Two years ago investments in securities were £400 millions below the level of loans. At the end of June investments exceeded loans for the first time in history.

During the same period bank deposits have increased by over £700 millions.

The movement to compensate for declining loans by carrying increased investments has been accentuated it appears by the smaller rate of return on investments. This means a larger total investment is necessary to keep revenue up to a satisfactory level.

The percentage of deposits represented by investments and loans together has declined from 72 to 59 in the two years. Of the total deposits 15% is represented by cash, cheques, collections and balances in other banks all of which earn no interest. Another 28% is loaned to the treasury or the money market at around 1%.

British commercial banks today use most of their resources in financing government controlled production. Loans to private business it is stated are no longer one of their more important functions.

* * *

Opening of two branches of the Canadian chartered banks and closing of three is reported in the Bank Directory for August, just issued.

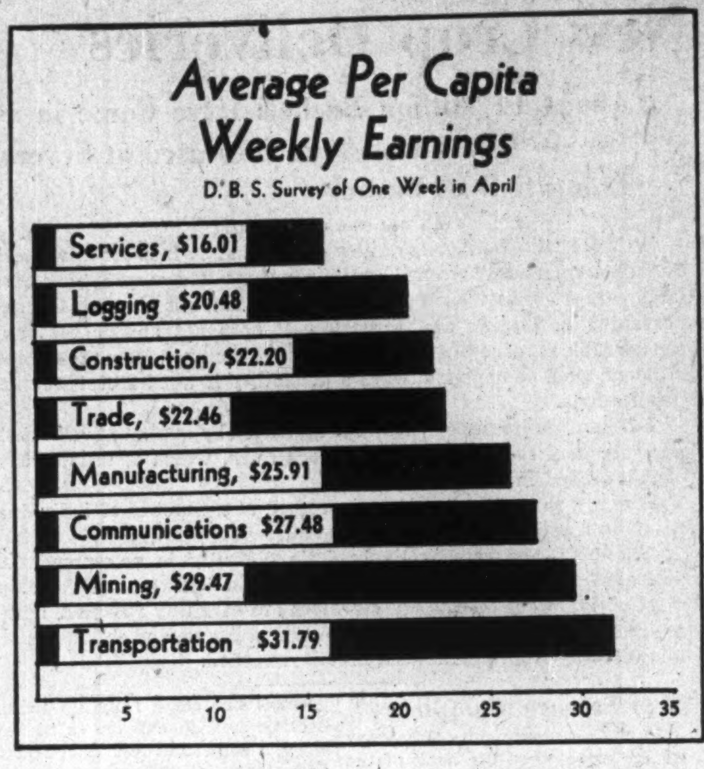
The branches opened were the Royal at Argentia, Nfld., and the Montreal at Botwood, Nfld.

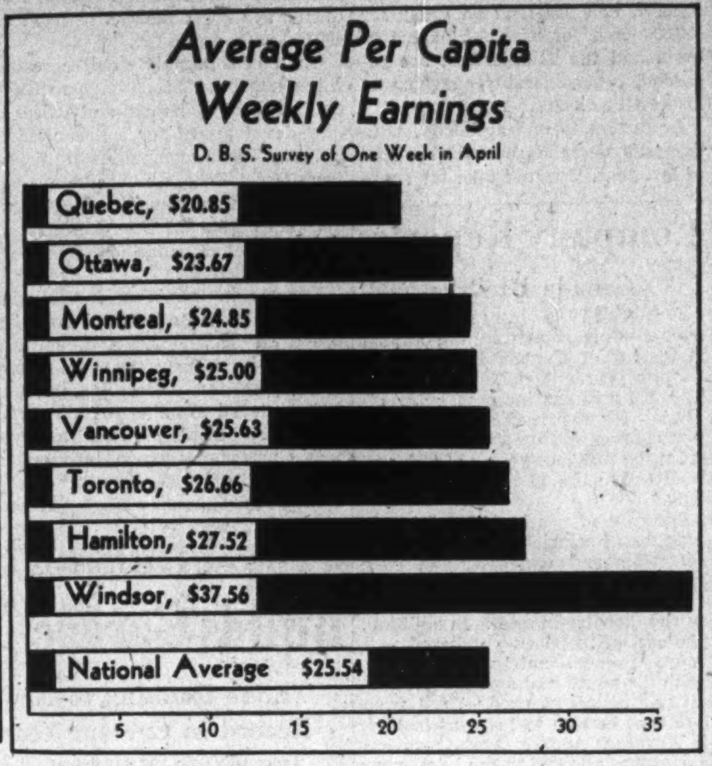
Branches closed were the Montreal at Port Hope, Ont., Nova Scotia at Pubnico, N.B., and Provinciale at St. Albert, Russell County, Ontario.

The directory gives the number of chartered branch banks in Canada on July 31 as 3,301.

A New Measure of Income

D. B. S. Now Knows More Where Money Is





By STAFF WRITER

OTTAWA.—Almost unnoticed is the fact that Canada has a new yardstick for measuring wage earnings. It shows some striking facts about the "spread" in weekly earning power between various Canadian cities and industries.

Greatest difference in earning power is disclosed in the figures for individual cities. Wage earners in Windsor are currently shown to be averaging $37.56 a week compared with a Dominion average of $25.54, based on latest available figures, for April.

This is a spread in favor of Windsorites of nearly 50%.

The lowest average wage is in Quebec City which reports $20.85. Compared with this, wage-earners in Windsor are receiving 80% higher wages, 66% more than the average for Quebec province.

By trades, the range varies from transportation and communication workers who report $31.79 a week to persons in the service trades who average but $16.01.

Manufacturing payrolls comprise 60% of the total earnings while 47% of the amount distributed was earned in Ontario. Combined earnings in Montreal and Toronto amount to 26% of the total for all Canada.

The new figure shows aggregate weekly earnings in a selected week of each month. Per capita and total figures are available for each province, for each of eight leading industries and for eight key cities. They are published once a month by the Dominion Bureau of Statistics as part of the regular monthly report on employment.

Because of the difficulty in making early calculations and getting the index under way this report has been delayed in publication. Latest report was dated July 30 and shows employment at the beginning of May together with payrolls for the last week in April. Earnings figures are also available for the corresponding week in March.

For all Canada, the weekly payroll among wage-earners aggregated $36 millions for the last week in April. Per capita this amounts to $25.54 as compared with $25.69 in the corresponding week in March. The decline was due in part to an increase of over 3% in number of persons employed since new additions to staff usually commence at a lower rate of wages. A considerable loss in earnings was reported because of industrial disputes, notably coal mining.

The number of employees for whom information on earnings was available totalled over 97% of the number from which the Bureau collects information on employment. These employment figures represent in turn between 70 and 80 per cent of all persons in employment.

Comparative payroll figures for provinces, cities and chief industries follow:

	Aggregate Weekly Eranings*	Average per Capita Earnings in One Week in March	April
	$	$	$
(a) Provinces:			
Maritime Provinces	2,142,105	23.46	21.77
Prince Edward Island	36,734	19.51	20.65
Nova Scotia	1,277,927	24.10	21.15
New Brunswick	827,444	22.37	22.87
Quebec	9,636,223	24.66	23.74
Ontario	16,781,077	26.88	26.95
Prairie Provinces	4,252,994	25.67	25.94
Manitoba	2,036,577	26.20	26.32
Saskatchewan	839,126	25.02	25.27
Alberta	1,377,291	25.28	25.81
British Columbia	3,211,463	27.06	26.73
(b) Cities:			
Montreal	4,822,419	24.78	24.85
Quebec	441,686	21.57	20.85
Toronto	4,959,677	26.49	26.66
Ottawa	430,075	23.60	23.67
Hamilton	1,407,016	27.47	27.52
Windsor	1,158,448	35.81	37.56
Winnipeg	1,213,114	24.82	25.00
Vancouver	1,252,816	25.48	25.63
(c) Industries:			
Manufacturing	21,381,608	25.91	25.91
Logging	601,686	18.26	20.48
Mining	2,288,510	31.06	29.47
Communications	679,773	26.97	27.48
Transportation	3,849,367	32.30	31.79
Construct'n & maintenance	3,184,665	23.61	22.20
Services	562,689	15.58	16.01
Trade	3,375,589	22.40	22.46
Canada	33,022,867	25.69	25.54

*Reported in one week in April.

Bank of Canada Sterling Funds Again Rise

An increase of about $4.4 millions in reserves of sterling and United States exchange is shown in the statement of the Bank of Canada for the week ended Aug. 20.

This is the first change of any importance in this item since early July when following the war loan the Foreign Exchange Control Board bought back $294 millions of sterling which it sold to the bank in the months preceding.

This sterling was acquired by the board under an agreement between Canada and Great Britain by which the Foreign Exchange Control Board was to supply the British authorities with Canadian dollars for war expenditures in Canada. The board accepted sterling in exchange for Canadian currency. But as its supply of Canadian dollars dwindled it had to obtain additional supplies by selling sterling to the Bank of Canada.

It was understood the board would buy this sterling back when it was able. The war loan gave the government the funds to make this possible. Accordingly, it provided the board with $325 millions for this purpose and to provide additional Canadian dollars to finance further British purchases here.

The re-purchase of $294 millions of sterling from the Bank of Canada left the board with $31 millions of Canadian currency to supply the British. Evidently this has now been used up and the board is again selling sterling to the Bank.

Investments of the bank were up $6.3 millions.

An increase of $3.7 millions in the deposits of the Dominion Government and of $4.6 millions in deposits of the chartered banks were probably in connection with the exchange transaction. Note circulation of the Bank of Canada was also up almost $3 millions.

	Aug. 20 1941	Aug. 13 1941
Liabilities	$	$
Capital paid-up	5,000,000	5,000,000
Notes in circ.	415,638,765	412,692,123
Rest fund	3,722,910	3,722,910
Depos.: Dominion	27,489,318	23,748,756
Banks	211,949,646	207,384,064
Other	3,964,251	4,084,094
Total deposits	243,403,215	235,216,914
All other liabs.	8,150,071	8,089,639
Total liabs.	675,914,961	664,721,586
Assets		
In sterling & U. S.	4,894,809	444,809
Subsid. coin	641,417	607,0[illegible]
Advances	2,000,000	2,000,000
Investments:		
Dom. govt. short	515,169,911	509,897,738
Other Dom. govt.	140,918,951	139,805,543
Total invest.	656,088,862	649,703,281
Premises	1,[illegible]15,047	1,[illegible]
All other assets	10,474,823	10,15[illegible]
	675,914,961	664,721,58[illegible]

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The plan works like this: you choose any policy that suits your needs, but instead of paying the first year's premium, you pay for one month only. For example, at age 30, the premium on a $5,000 Double Protection life policy is only $6.15. As a service to you, the company will accept your checks, one for each month of the year, all post-dated.

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Demand Is Increasing For Window Insurance

Demand for plate glass insurance is stated to be on the increase. Total premiums paid in 1940 were $575,833 against $513,690 in 1939. Losses were $276,732 against $237,739. Expectation is that 1941 demand will exceed that of 1940.

Buying plate glass insurance is usually active in the autumn when cooler weather is in sight. There are a number of other factors at work all the year round, however, such as the hazard of riots or street fights, children playing in the streets and throwing stones or balls. In wartime, in many localities there is also the danger of explosions in munitions plants. The rising trend of prices is also a factor in higher replacement costs.

Causes of Damage

Some of the causes of breakage in large glass windows are surprisingly simple. An example is the number of breakages caused by advertising signs painted on the glass. These are usually on the inside. When the weather turns cold and the buildings are heated, the paint expands more rapidly that the glass. The result may be cracked glass.

Plate glass insurance will not only indemnify the owner for loss sustained but relieves him of all trouble in replacing it. All the policyholder has to do is report the breakage and the company takes charge immediately. Because its men are experienced in giving service and know how and where to get repairs made quickly, the company is often able to have the damage made good in a few hours.

Glass windows in private dwellings and apartment houses are often insured also, especially when the building is in a locality where damage is liable to occur.

Large Size in Business No Clue to Efficiency

That size is a totally unreliable indication of business efficiency and that large business corporations are seldom the most efficiently and economically run, is asserted by the U. S. Federal Trade Commission in an analysis made for the Temporary National Economic Committee.

"It has been claimed for many years that the concentration of economic power is based upon business efficiency and that any attempt to arrest or even to reduce this concentration would impair efficiency and lead to higher costs and higher prices," states the T. N. E. C. in the F. T. C. study. "Smaller business has been generally suspected of being inefficient and its destruction by large business often regarded as progress in efficiency."

The report was based on a study of companies in 18 industries. Those under scrutiny are reported as representing about one fourth of the total value of manufactured products in the United States.

"In hundreds of tests of business efficiency which the commission made," the survey states, "large size was most efficient in approximately 11% of the total tests; medium size was most efficient in approximately 55% of the total tests, and small size in approximately 34% of the tests.

"In cost tests in a number of industries the largest corporation had the lowest cost in only one case. Of particular significance is the fact that in these cost tests, on the average, over one third of the companies in every cost array had costs lower than those of the larger companies."

The study further shows that mass production can be carried on efficiently in small corporations and that large size may be a handicap to real efficiency and mass production.

"Must Use Gold For It to Survive"

Banker Says U. S. Can and Must Take Lead in Restoration

"If the United States Government is prepared to take the lead in restoring a gold standard and in so doing chooses the proper time and the proper methods, a gold standard can be restored, first on national and then on international grounds," declares W. Redelmeier in his new book, "The Gold Standard."

Mr. Redelmeier, who all through his book accepts the gold standard as a tried and reliable currency system, maintains its future is tied up definitely with the aims of the present war. Destruction of the value of gold would be a blow at the democracies which control such a large part of the world's gold. It would also help to destroy their system of international trade based on it. This system Hitler would replace with his own clearing system which would bring other nations under the domination of Germany in trade matters, Mr. Redelmeier declares.

Future of Democracies

Therefore, he sees the future of the democracies linked up definitely with the future of gold and the gold standard.

But if gold as a medium of exchange is to be restored to its former prestige, political action, he maintains, is necessary just as it was when it took gold out of circulation.

The Solution

The thing that needs to be done, in his opinion, is to put gold back into circulation as a medium of exchange.

He makes the distinction that, while the gold standard is a currency system dependent to a large extent on political action, "gold itself is a psychological phenomenon which has to be brought into the everyday lives of people if the gold standard is to operate with its full power." He writes:

"Restrictions which neglect such phenomena are detrimental to gold and hence to the gold standard. What is the psychological phenomenon which gives gold its power? Gold is not of immediate usefulness in human life like food, shelter, coal, clothing, electricity, transportation or the weapons for defense, but is of imponderable value only.

"Gold has been part of the religious and spiritual life of more than a hundred generations . . . in all walks of life. It has found its way into the sagas, the literature and workaday life of people as something transcendental as well as attainable . . . Gold will not cease to excite the imagination of men as long as it adds mystery to the visible—but visible it must be and not only visible but omnipresent."

Visibility and Attainability

He puts special emphasis on the conditions of visibility and attainability as conditions necessary in giving gold its value. But when a government hides gold from human sight and removes it from the human touch it destroys, in his opinion, the main value the metal possesses.

When gold is not visible and is not attainable, it loses what he calls its imponderable value. "This is what devaluation or demonetization of gold means," he declares. "Close the art galleries, forbid the public to see pictures, and pictures will cease to fulfill their purpose."

Mr. Redelmeier differs from economists who claim gold will never again become a national circulating medium but may again play its rôle as an international medium of exchange. National circulation must precede international use he indicates. It would be faulty tactics, he believes, to expect other countries to accept the gold the United States holds because the United States wanted to get rid of it.

The only way that will lead ultimately to the general international use of gold that he can see is "to restore its value, first, in the greatest market that ever existed—in the hearts and minds of 130 million Americans, and, once restored, to maintain such value by sound and conservative methods."

Popular Support Needed

While the United States can continue to buy gold by decree at $35 an ounce, it cannot create values or maintain them without the voluntary support of the people, he claims.

The statement that a single country cannot be on an international gold standard, he declares, is only true with reservations. Britain between 1822 and 1870 was the only country in the world on a gold standard, and sterling during those 50 years became increasingly the international gold standard. It became the only currency which enjoyed world-wide confidence, and thus became the world standard.

The American dollar he sees able to become the international gold standard now if the American nation wants it to be so. But the American Government must face the need of other currencies being subject to the same restrictions or enjoying the same liberty as the United States dollar. Credits alone will not do it, he declares. There must be far-reaching co-operation, to maintain other currency values, in which the United States and the British Empire will take the lead.

The Gold Standard, by W. Redelmeier, is published for the author by The MacLean Publishing Co., Toronto, price $1, and proceeds of its sale are being turned over to Canadian war hospitals through the Toronto War Hospitals Committee.

C.L.U. Degree Awarded To 31 Underwriters

Results of the 1941 examinations of the Institute of Chartered Life Underwriters held last April, recently announced, show 31 candidates successful in completing the third year and all prior examinations of the Institute's course. Accordingly they are entitled to use the title C.L.U. (Chartered Life Underwriter).

The new C.L.U.'s are distributed through the different provinces as follows: British Columbia 2, Alberta 4, Saskatchewan 1, Manitoba 4, Ontario 14, Quebec 4, New Brunswick 1, Prince Edward Island 1.

Two others have completed the third year examinations and all prior examinations but have not qualified in all other respects for the degree.

The subjects covered by the C.L.U. course include the fundamentals of life insurance, life underwriting, and salesmanship, life insurance law, psychology, estate administration, business finance, business insurance and business English. Their names follow:

BRITISH COLUMBIA

Vancouver—
JOHN R. ARNOLD, Northern Life.
STANLEY MARSH, London Life.

ALBERTA

Calgary—
MRS. BESSIE I. BARRE, London Life.

Edmonton—
THOMAS J. CARLYLE, Prud. of Amer.
GEORGE T. HUTCHESON, Dom. Life.
W. J. MONAGHAN, Dominion Life.

SASKATCHEWAN

Saskatoon—
A. B. CAMPBELL, Mutual Life.

MANITOBA

Winnipeg—
E. H. CURTIS, Travelers of Hartford.
JOHN H. MOORADIAN, Metropolitan Life.
CHARLES C. MURPHY, Travelers of Hartford.
F. G. REEVES, Northern Life.

ONTARIO

Fort Erie—
F. W. FIDLER, Metropolitan Life.
E. J. FREELAND, Metropolitan Life.

Fort William—
JAMES S. BROWN, Metropolitan Life.
LAWRENCE A. GRANT, Metropolitan Life.
ROBERT M. MARVEN, Monarch Life.

North Bay—
HAROLD V. PASSMORE, Mutual Life

Port Arthur—
CHARLES E. McDONALD, Metropolitan Life.

Sudbury—
M. C. AIKENS, London Life

Toronto—
RALPH B. BREAKWELL, Metropolitan Life.
REG. K. CROUCH, Confederation Life
EDWARD B. HIGGINS, Great-West Life
JAMES C. KYLE, Metropolitan Life.
HAROLD J. MITCHELL, Great-West Life.

Woodstock—
WILFRED J. DOW, Monarch Life

QUEBEC

Montreal—
HAMILTON GUTHRIE, London Life.
ABRAHAM I. LANG, London Life.
ROBERT T. RIVARD, London Life.
REG. W. ZOPPI, Standard Life.

NEW BRUNSWICK

Fredericton—
GEORGE A. JAMER, Jr., National Life.

PRINCE EDWARD ISLAND

Charlottetown—
THOMAS McAVINN, Great-West Life.

Weekly Bank Clearings

	Aug. 21 1941	Change Year Ago	Aug. 14 1941
	$	%	$
Halifax	4,236,278	+59.5	3,369,980
Saint John	2,204,526	+18.3	1,985,611
Moncton	1,081,533	+21.3	891,715
Sherbrooke	1,082,464	+48.2	801,855
Quebec	5,513,886	+6.4	4,744,878
Montreal	120,731,732	+43.3	105,492,412
Ottawa	34,236,318	+54.5	36,076,268
Kingston	751,817	+28.9	729,087
Toronto	132,250,462	+24.1	111,217,022
Hamilton	7,031,347	+9.4	6,405,143
Kitchener	1,340,706	+19.8	1,130,546
Brantford	1,111,157	+36.9	923,158
London	2,808,998	+25.8	2,890,287
Chatham	613,502	+23.2	634,218
Windsor	3,552,890	+27.3	3,441,311
Sarnia	545,929	+8.3	497,684
Sudbury	929,040	+5.6	1,203,668
Peterborough	821,896	+33.6	807,570
St. Cahtarines	1,348,904	.....	1,239,957
Fort William	1,133,831	+29.8	1,192,728
Winnipeg	46,713,552	+62.1	47,941,860
Brandon	455,726	+46.8	387,860
Regina	4,020,923	+17.4	3,955,178
Moose Jaw	695,213	+17.3	545,922
Calgary	6,423,534	+18.7	6,439,972
Lethbridge	621,376	+55.2	544,587
Medicine Hat	390,370	+88.2	374,888
N. W'minster	891,702	+41.2	893,089
Vancouver	21,573,066	+26.0	16,672,845
Victoria	995,463	—44.8	1,660,793
Saskatoon	1,390,816	+2.2	1,316,701
Prince Albert	417,576	+16.6	407,160
Edmonton	5,498,434	+28.4	4,980,340

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Peak Performance

THE common objective of business, large and small, these days, is to keep their wheels turning or their service functioning at the highest peak. But no matter how excellent and well-oiled the machinery may be, consistent peak performance is impossible if every once in a while some little thing, like the spark-plug in your car, is "missing."

Often these "missing links," these "bottle-necks" in the attainment of "peak" are directly traceable to the inefficiency of control—**the office.** Someone overlooked or forgot; didn't follow up that letter; was too busy; couldn't find that record!!

The human element isn't perfect—but it comes much closer to that state given the proper tools. The cost and temporary inconvenience of installing the components of a more efficient office—brighter, more convenient desks and files, comfortable chairs, quicker, more accurate filing systems—will be rewarded by better order and control, more harmony, greater effort and more business.

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Australia Cuts Publishers Use of Newsprint by 55%

Need of Conserving Exchange Forces Action Which Hits at Canadian Newsprint Manufacturers — Took 175,000 Tons a year

From Our Own Correspondent

MONTREAL.—Following upon demands of the Government, Australian publishers' consumption of newsprint paper has been reduced 55%.

This programme is of direct interest to Canadian newsprint manufacturers, as, under seven year contract, the mills in this country undertook to supply the Australasian publishers with 175,000 tons yearly. A slash of 55% in consumption, therefore, vitally affects one of the more important overseas markets open to Canadian mills.

Save on Exchange

The plan of rationing developed out of the need to conserve foreign exchange. When the Australian publishers made their contract with the Canadian mills it was agreed to pay for the paper in U. S. funds. Several months ago the agreement was voluntarily amended whereby payment was made in Canadian funds. Apparently the latter concession is not enough and a plan of curtailment of consumption is now being worked out.

Taking 1938-39 as the base year two plans were prepared for rationing. The Abbott plan, submitted on June 5, provided for an over-all cut of 60%.

The present and proposed basis follows:

PRESENT BASIS: No. of Pages in Base Year	Percentage Reduction Now Operating	PROPOSED BASIS: No. of Pages in Base Year	Proposed Percentage Reduction	Additional Tonnage Saving Proposed
DAILY PAPERS				
Up to 24 per week	Exempt	Up to 24	Exempt	....
25 to 48 per week	16⅔%	25 to 36	25%	21
49 to 72 per week	25%	37 to 48	30%	118
Over 72 per week	35%	49 to 60	35%	63
		61 to 72	40%	730
		73 to 84	45%	386
		85 to 96	50%	270
		97 to 108	55%	245
		108 to 132	60%	....
		Over 132	65%	33,449
				35,282
SUNDAY PAPERS				
Less than 24 per week	16⅔%	Less than 24	25%	14
24 to 32 per week	25%	24 to 32	45%	89
33 to 48 per week	30%	33 to 48	60%	2,330
Over 48 per week	35%	Over 48	70%	4,515
				6,948
WEEKLY PAPERS				
Up to 4 per week	Exempt	Up to 4	Exempt	....
5 to 16 per week	25%	5 to 10	30%	87
17 to 28 per week	30%	11 to 16	35%	256
Over 28 per week	35%	17 to 28	40%	975
		29 to 40	50%	436
		Over 40	55%	1,487
				3,241

SUMMARY OF ADDITIONAL SAVINGS

	Tons per Annum
Daily Papers	35,282
Sunday Papers	6,948
Weekly Papers	3,241
Total	45,471

The proposed additional savings, plus those already effected—57,286 tons—would achieve an over-all reduction in consumption, as compared with the base year, of 102,757 tons, representing 59.36%.

On June 24 the Minister of Customs announced a plan to effect an over-all cut of 55%.

This plan follows:

Average Number of Broadsheet Pages per Week During Base Year, 1938-39	Percentage Reduction
DAILY NEWSPAPERS	
Up to and including 24	Nil
Over 24 and up to and including 36	16⅔
Over 36 and up to and including 48	20
Over 48 and up to and including 59	25
Over 59 and up to and including 70	32½
Over 70 and up to and including 72	35
Over 72 and up to and including 83	40
Over 83 and up to and including 89	42½
Over 89 and up to and including 96	45
Over 96 and up to and including 108	50
Over 108 and up to and including 132	55
Over 132	60
SUNDAY NEWSPAPERS	
Less than 24	20
24 and up to and including 32	40
Over 32 and up to and including 48	55
Over 48	65
WEEKLY NEWSPAPERS	
Up to and including 4	Nil
Over 4 and up to and including 16	25
Over 16 and up to and including 28	35
Over 28 and up to and including 40	45
Over 40	50

U. S. Pulp Operations Hold Near Capacity

From Our Own Correspondent

MONTREAL.—Pulp production in the United States during June experienced only a fractional falling off from May, after taking into consideration the shorter working month. Operations remained near effective capacity.

With 89% of the industry reporting, United States Pulp Producers' Association gives total production for the month at 693,209 tons. This compares with 723,949 tons in May and 695,522 tons in April. In the latter month 87% of the industry reported, against 89% in May.

There was little change in rate of operations during June from preceding months. Sulphite mills, representing 98% of industrial capacity reported production of 232,581 tons during June, against 233,446 tons in May, and 230,362 tons in April.

With 96% of sulphate producers reporting sulphate production in June amounted to 347,339 tons, compared with 355,960 tons in May, and 336,515 tons in April.

Groundwood producers with 67% of U. S. mills reporting made 99,412 tons in June and 115.268 tons in May. In April 59% of the industry turned out 113.418 tons of groundwood.

Stocks of pulp on hand at the end of June were relatively unchanged from the end of the previous month, amounting to 142,625 tons, compared with 149,511 tons. At the end of May pulp stocks totalled 155,750 tons.

Groundwood stocks dropped to 55,329 tons at the end of June from 56,614 tons at the end of May.

Following are returns of the United States Pulp Producers Association for the industry:

(In tons of 2,000 pounds, air dry weight)
(June, 1941)

Grades:	% of Ind'y capacity reporting	Prod'n. during June	Used by producing mills	Sales foreign & domestic	†Stocks on hand end of June	Imports during June
Total, all grades*	89%	693,209	551,490	148,804	142,625	103,777
Total sulphite	98%	232,581	122,602	111,536	53,825	69,824
Bleached	100%	142,534	72,535	68,532	34,362	35,219
Unbleached	95%	90,047	50,067	43,004	19,463	34,605
Total sulphate	96%	347,339	320,750	29,536	24,341	16,447
Bleached	100%	57,548	50,588	7,460	5,549	4,544
Unbleached	95%	289,791	270,162	22,076	18,792	11,903
Groundwood	67%	99,412	96,980	3,814	55,329	16,508
Damaged‡	75%	13,877	11,158	3,918	9,130	998

†Total, for own use and sale, of pulp of own manufacture (does not include stocks of purchased pulp). *Except. soda. ‡Off-quality and miscellaneous.
Import data from United States Bureau of Foreign and Domestic Commerce. Other data as reported monthly to the United States Pulp Producers Association.

Quebec Water Conditions Hit Power Output

Generation of Main Stations Drops 5.7% in June

From Our Own Correspondent

MONTREAL. — Adverse water storage conditions in Quebec province are reflected in production and sales of electric energy during June. According to the Public Service Board generation of main public services in the month totalled 1,347.6 million kw.h., a decline of 80.8 million kw.h., or 5.7% from the same month in 1940. Total sales amounted to 1,280.4 million kw.h., a drop of 76.1 million kw.h., or 5.6%.

Primary sales of the main public services in the province were up 32.8%, to 669.6 million kw.h., but secondary sales in Quebec fell by 79.7% from the same month last year, to 355.2 million kw.h., due to the changed classification of energy from secondary to primary.

Export Sales Down

Export of primary power was off 3.5% during June from the same month last year.

Water conditions have shown no improvement in July and August and it is most probable total generation in these months will show the same trend as June figures.

Electric output in the six months to June 30 totalled 8,337 million kw.h., in the corresponding period of the preceding year, an increase of 264.6 million kw.h., or 3.1%.

Six Months Better

Sales of all descriptions amounted to 7,902.4 million kw.h., an increase of 266.4 million kw.h., or 3.5%. Primary sales in Quebec province were up 32.5% to 5,131.8 million kw.h., while secondary sales of power in the province were down 55.7% to 796.8 million kw.h.

Revenue from sales in Quebec were up by $3.2 millions over the six months period of 1940 to $27.6 millions, while revenue from export sales increased by $241,196 to $5 millions.

Power Production and Sales in Quebec
Six Months Ended June 30

	1941	1940	Change
	—millions of kw.h.—		%
Total prod.	8,337.0	8,072.4	+3.1
Total sales	7,902.4	7,636.0	+3.5
Primary sales*	5,131.8	3,876.8	+32.5
Export (primary)	1,973.8	1,961.3	+0.6
Second. sales*	796.8	1,797.8	—55.7

*Quebec.

Revenue From Sales in Quebec

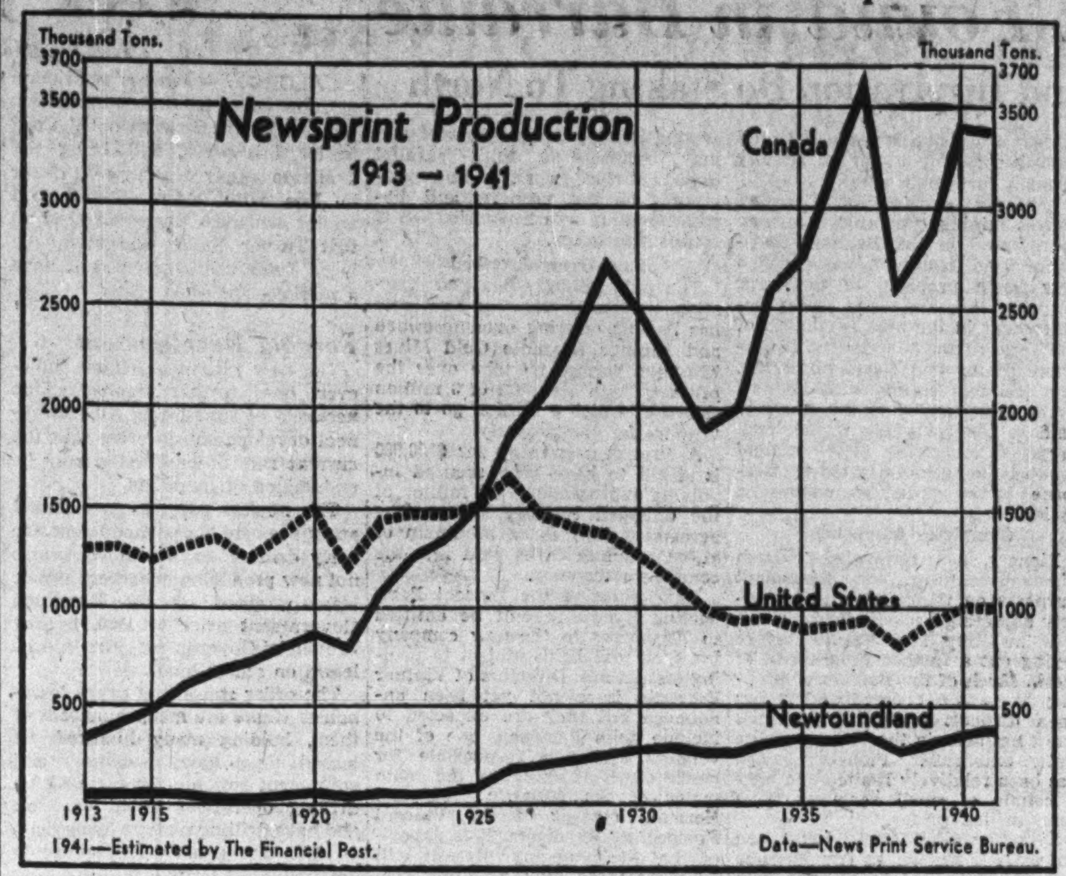
	1941	1940	Change
	$	$	%
Domestic	4,533,765	4,348,460	+4.2
Commercial	4,120,162	3,850,608	+7.0
Industrial	17,197,726	14,449,266	+18.8
Municipal	903,945	891,488	+1.3
Transport	634,268	625,675	+1.4
Municipal‡	176,881	165,021	+7.0
	27,566,747	24,330,517	

‡Wholesale.

Revenue From Export Sales

	1941	1940	Change
	$	$	%
Primary	5,013,436	4,772,240	+4.8

War Swells Demand on Canadian Newsprint



The chart graphically shows the growth of Canadian newsprint production and its size relative with that of the United States and Newfoundland.

Asks Change In Proration On Newsprint

From Our Own Correspondent

MONTREAL. — The Alderman's office of Hull, Que., announces that Mayor Raymond Brunet has forwarded petitions for cancelling of all newsprint proration exemptions to the provincial government by the municipal council and the Senior and Junior Chambers of Commerce of the city.

The petition quotes the recent Ontario probe into the affairs of Abitibi Power and Paper Co.:

"From the point of view of the national interest in acquiring valuable United States exchange and from the point of view of labor, proration would seem to be highly desirable and we think that the government should do all that it legitimately can to keep it in force."

Sees System Breaking

The petition concludes it is very difficult to enforce proration when some are exempt from regulation, and in consequence, it alleges, the whole proration system is rapidly breaking down.

The Hull recommendations also ask consideration of similar prorationing pleas from other Quebec municipalities, as well as complaints from Ontario cities, such as Port Arthur and Sault Ste. Marie.

The petition declares newsprint proration was placed in effect by Quebec and Ontario in 1938 to cause newsprint mills to share proportionately in sales, thus spreading employment and wages as evenly as possible.

Gatineau Power Cuts Dividends

From Our Own Correspondent

MONTREAL. — Gatineau Power Co. has announced reduction in its quarterly dividend payment on common from 20 cents to 15 cents, with disbursement declared payable Sept. 30, to shareholders of record Sept. 2.

The company has paid a regular dividend on the stock of 20 cents since initiated Sept. 15, 1938, but present decrease was not unexpected.

Reduction is apparently dictated by the unfavorable trend of net profit in evidence since 1939. In the quarter ended March 31, 1941, the company reported earnings on the common stock of 15 cents, but continued to pay the regular 20 cent dividend. In the quarter ended Sept. 30, 1940, the common earned 18 cents. It is probable the quarter ended June 30 will show earnings inadequate to meet requirements on the common stock at the 20-cent rate.

Taxes and Exchange

Decline in earnings is largely attributable to sharp increases in taxation and premium on U. S. funds needed for debt service. In 1940 the company showed operating revenue of $9.6 millions, compared with $9.2 millions in 1939. Provision of $1.2 million was made for income tax, against $423,337 in the previous year. Net profit was equivalent to 82 cents on the common stock, contrasted with $1.04 in 1939.

In the 1940 annual report G. Gordon Gale, president, pointed to the decrease in net profit, despite rising gross revenue. He attributed contraction to the sharp increase in taxation and premium on U. S. funds required to meet major part of the company's funded debt.

The company has $52.5 millions of first mortgage sinking fund bonds on which principal and interest is payable in U. S. currency. The bonds were issued in a refinancing operation in 1939. Exchange provision came to more than quarter of a million dollars in 1940, compared with the modest sum of $9,978 for this purpose in 1939.

Reduction of Gatineau Power dividends will have unfavorable repercussions on International Hydro-Electric System, holder of more than 86% of the Gatineau common stock.

As its principal source of revenue Gatineau will contribute approximately $287,805 less annually to International Hydro on the basis of reduction in Gatineau dividends from 80 to 60 cents.

Rules Inter. Paper Not Electric Utility

From Our Own Correspondent

MONTREAL.—International Paper Co. is not an electric utility in the meaning of the Holding Company Act, the United States Securities Commission has ruled.

Previously the Commission ruled the company was not a utility, but with the acquisition of Southern Kraft Corp., reconsideration of the case was deemed encessary. Southern Kraft, a wholly owned subsidiary, sells small quantities of electric energy. Revenue from power sales amounted to $134,152, or 0.13% of total gross revenue in 1940.

Your Investments

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Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Lord Nelson Hotel

Will you kindly let me have your opinion on the 4% bonds of Lord Nelson Hotel Ltd.?

Lord Nelson Hotel is enjoying a "war boom" and earnings are the best since the company was established several years ago. Formerly the company found it difficult to make ends meet and in 1931 it was necessary to carry out a reorganization. Under the terms of that reorganization the Canadian Pacific Railway guaranteed payment of interest, but the latter company does not guarantee payment of principal or sinking fund. Under war conditions it is anticipated the company will have no particular difficulty in earning bond interest, but there is no assurance that such a condition will continue in the post-war period. However, as far as the interest charges are concerned, the bond holders have the guarantee of the C.P.R.

King Edward Hotel

What is the current market for King Edward Hotel 6% debentures? Where do these debentures rank?

There appears to be no current market for the 6% general mortgage debentures of King Edward Hotel Co., Toronto. These securities rank junior to the 7% mortgage bonds, and quotations on the latter are only from 6 to 7. The hotel property on King Street East, Toronto, is now owned by the Metropolitan Life Insurance Co., following foreclosure in 1935. Under lease from the Metropolitan Life, the property has been operated since 1935 by the National Trust Co., receiver and manager, acting for holders of the 7% refunding bonds. These 7% bonds are secured by a first charge on all the personal property, consisting of furnishings, equipment, supplies, cash, receivables and goodwill. Both the 6½% general mortgage bonds and the 6% general mortgage debenture stock rank equally after the 7% refunding bonds.

Inter. Petroleum

What is the operating position of International Petroleum Co.? Are current dividends in line with earnings?

International Petrolum Co. is an important producer of crude oil, operating in South America. Its wells are in Peru and Colombia and since 1937 additional crude has been taken under contract from Venezuela. Roughly something near one third of the company's oil output in Peru and Colombia is processed in its own refineries and marketed in South America. In prewar years about a quarter of the crude, exclusive of that refined by the company, used to go to Europe and about the same proportion to Canada with the balance to various markets. Since the war started the European markets have been largely lost while substantially greater supplies are coming to Canada. There have been some evidences recently that prices of crude oil were going to rise, particularly in the United States. This would have an important effect on International Petroleum's earnings which have been adversely affected by low crude oil prices in recent years. Recent exploration in certain of the company's oil fields has been only moderately successful and there has been a downward trend to crude oil production in Peru for the past four or five years. This has been offset by increasing takings from Venezuela where developments appear quite favorable. With reductions made in dividends paid last year, International Petroleum Co. has abandoned its previous policy of paying dividends which were in effect a return of capital. Payments now are more nearly in line with actual earnings being at the rate of $1 a share annually at present. This compares with actual earnings of 94 cents a share in 1940. Working capital is strong.

Fleet

Will you kindly give me any information you have on Fleet Aircraft? What is the reason for the low market value of the stock?

Fleet Aircraft Ltd. is working at capacity on aircraft orders. A new plant is being erected by the company at the Crumlin Airport near London, and will be operated by Fleet when completed. The company has a sufficient volume of orders to maintain operations for some time to come. It is expected earnings in the current year will compare favorably with those of 1940, when net profit was $133,073, equivalent to 70 cents a share on the outstanding common stock.

Severe wartime taxation is a deterrent to earnings rising much beyond their present level, and the obscure post-war prospect for the aviation industry is being critically weighed by investors.

WARTIME ALCHEMY

CHANGES TREES INTO TANKS

Across Canada, from Nova Scotia to British Columbia, there are 83 pulp and paper mills. These mills are doing a war job.

Some of their products are directly used for war needs—pulps for explosives, wrappings and containers for munitions and food, boards for army buildings, paper to do the nation's business, newsprint to sustain a free press.

Millions of tons — a quarter of a billion dollars worth — are exported to provide Canada with the money she must have to pay for munitions. With the alchemy of foreign trade, wood and wood products become ships, guns, tanks, planes to fight Canada's total war against the threat of Nazi slavery. Last year pulp and paper exports were bigger than our exports of mined gold, wheat or nickel.

Your Part in the Industry

The owners of these mills are tens of thousands of individual investors. Back of the mills are the forests — a resource of the Nation. Working in the mills and the forests is the industry's army of over 100,000 Canadians. With their families and with workers in auxiliary industries, pulp and paper is the direct livelihood of well over half a million Canadians.

In one way or another, every Canadian has a stake in pulp and paper. Every Canadian citizen and every one of the industry's workers, from forest camps to head offices, can be proud that this industry has a big job to do in the fight for freedom — that the job is being done well. Everyone has a duty to keep it rolling full speed.

THE PULP AND PAPER INDUSTRY OF CANADA
972 SUN LIFE BUILDING MONTREAL

Week in Mining

Metals Deal Renewal To Come Up Shortly

Position of Metals Producers Considerably Different From That at the End of the First Year of War — United States a Factor

Renewal of the contracts between Canadian base metal producers and the United Kingdom is expected shortly although no action has yet been taken in this regard. About a month's further time remains for present contracts to be extended for next year.

It is quite possible that a considerable change in the basis of sale may take place this year. Contracts call for upward revision of metal sale prices to take into account increases in operating costs, it will be recalled. Unlike the first year of war, the past year has been featured by a sharp rise in costs. Mines are giving the cost-of-living bonus, now an important factor in boosting costs. Costs of supplies have also been rising and mines appear to have a good case for some increase in the price of their products within the limits of their contracts.

It has not been revealed if taxes are included as a cost of production. If this should be the case the mines would apparently be in a position to receive considerably more for their product. Even if the definition of costs does not include taxes or write-offs, however, there is no disputing the rise in the general level of costs.

The United States has been asking Canada for whatever metal production that can be made available and it is possible that the United Kingdom might be able to make some modification in their contracts so the United States could get more metal. One mine at least feels the margin of profit allowed it is not satisfactory and representations for modification of its contract will likely be made.

* * *

E. P. T. Difficulties

Rulings on the excess profits tax have been long delayed in the case of several mining companies. Considerable difficulty has resulted, both in making up accounts and in deciding on the company's future mining policy from the taxation viewpoint.

Waite Amulet Mines, for instance, is still awaiting a definite E.P.T. ruling although it has been assured that special consideration will be given. Paymaster Consolidated Mines has now found it necessary to delay its annual meeting until Sept. 29 in the hope that the company's application for the setting of a "standard profit" will receive consideration by that time. The company had previously been forced to defer dividends due to uncertainty over what tax the company may be called upon to pay.

* * *

O'Brien Situation

Much interest has been stirred in recent weeks by the sharp rise in price of shares of O'Brien Gold Mines to over the $1.60 mark, a rise reminiscent of the spectacular rise of the company's shares a few years ago to over $10, following location of a rich chimney of ore.

The latest development which has carried the stock to more than double this year's low it attributed to opening of high grade ore on the lower levels. Reports on what results are now being secured have been conflicting and it is difficult to evaluate the new situation. Even a relatively limited tonnage of very high grade ore could bring a sharp response in higher profits but the management has yet to issue the information which would allow shareholders to visualize the present picture.

* * *

Mine Hunt Still On

Exploration in the Barraute area has revealed one thing not generally realized. Major mining companies have unshaken confidence in gold and are still willing to undertake the heavy expenditure involved in the opening up of new mines.

Probably no other mining field—with the possible exception of Yellowknife—has attracted so many of the large mining companies in recent years. Very little information of an official character has come out to indicate what results are being obtained in Barraute but it is unlikely that the large mining companies would be committing themselves to large programmes of diamond drilling unless encouragement was being received. As results can be correlated and interpreted, more information can be expected.

* * *

New Sand River Mentor

Northern Empire Mines, which was so successful in bringing Magnet Consolidated to the dividend-paying stage, will strive for a repeat performance with Sand River Mining Co. in the Beardmore area, where the original Northern Empire mine is located.

Under the deal approved by Sand River Mining Co. shareholders, Sand River assets are to be sold for $100,000, secured advances, which will be repaid with interest from production. Sand River shareholders are to receive one new share for each five shares now held. Of the original bond issue, some $72,000 is outstanding with $36,000 to be paid shortly. Cash on hand is around $16,000.

* * *

Gold Lures Amerks

Considerable interest in British Columbia placer possibilities is being taken by U. S. dragline gold dredge operators, according to the B. C. Bureau of Mines. Representatives of American concerns are continuing to come to Canada to prospect for locations and some have already shipped in drills and sampling equipment. Prospecting is being done in the Similkameen and Cariboo areas.

Besides placer investigations, a search for lode deposits is being made in the Dease Lake area in northern British Columbia. Opening up of this section has been facilitated by the building of an airport at Watson Lake in the southeast corner of the Yukon.

La Luz Profits Show Gain

Net Estimated at $271,563 For Second Quarter of 1941

Estimated net profit of $271,563 realized by La Luz Mines in the three months ended June 30, 1941, was approximately $35,000 higher than the $237,144 profit for the first quarter of the year but was under the $327,151 profit of the last quarter of 1940 when an exceptionally high average grade of ore was being treated.

Tonnage milled was a new record at 96,229 tons in the second quarter of 1941, comparing with 92,737 tons in the preceding quarter and 79,845 tons in the last quarter of 1940. Bullion production was also a new record in the second quarter at $654,975 against $579,875 in the first quarter and $644,298 in the fourth quarter of 1940.

Capital expenditures have been stepped up, totalling $218,389 in the second quarter or double the $105,954 in the first quarter. Capital expenditures in the fourth quarter of 1940 totalled $129,214.

All figures are given in U. S. dollars. Ventures and Sudbury Basin Mines are substantial shareholders in La Luz Mines and provided most of the money for bringing the property into production.

Many Claims Staked Near Sioux Lookout

From Our Own Correspondent

WINNIPEG.—Sixty claims have been staked at a new discovery at McDougalls Mills near Sioux Lookout, Ont., and work is progressing on this most recent of strikes.

The story of the discovery is similar to the accidental finding of many another mine in Canada. In this particular case an Indian following deer tracks found a little patch of quartz from which the moss had been kicked away. In the quartz he found free gold. He uncovered enough of it to make sure that it was a vein of some proportions both as to width and length and then told his story to some prospectors at Sioux Lookout.

The result was a trek to the site and the immediate staking of the available ground, followed by work to ascertain the extent and value of the discovery. Present showings indicate the break has a width of about 60 ft. and an undetermined length.

Manganese Mine Nearly Ready

Sussex Manganese Mill Expected to Turn Over During Next Week

Construction of the 100-ton concentrating mill of Sussex Manganese Mining Co. is nearly completed with production expected to start next week, according to information received by President N. E. Gough from the company's engineer at the property.

Plans call for treatment initially of a large tonnage of manganese ore that has been stockpiled on the surface. A shaft is now being sunk and the open cut on the main vein is being cleaned out which is from 6 to 10 ft. in width. It is from this vein that further mill feed will be taken.

Location of the company's property is on Jordan Mountain, seven miles from the town of Sussex, New Brunswick. The New Brunswick Government has recently graded and gravelled the main road to the property. A survey has now been made with a view to extending hydro-electric power line to the property. Diesel and gasoline engines are supplying power for present operations.

The company is understood to be the first to erect a concentrating mill in recent years to produce manganese which is essential in the manufacture of iron and steel.

Authorized capital of Sussex Manganese is 50,000 shares.

Minto Plans Granting Option to Pioneer

From Our Own Correspondent

Pending approval of shareholders, Minto Gold Mines will enter into an agreement with Pioneer Gold Mines whereby the latter will acquire an option on an 80% interest in the Minto property in Bridge River.

Minto operated profitably for a while, but in 1937 the mill, with a capacity of 130 tons, was shut down.

Minto's president, William Warner, reported recently that for the three years ended June 30, 1941, income amounted to $2,615 and expenditures and charges were $11,002. Net loss was $11,131. It had been found difficult not only to resume operations but to retain the company's corporate standing.

New Break Found in Barraute

Hollinger, Dome And Inspiration Do Staking To North

A new north break has been found in Quebec's new Barraute-Carpentier field paralleling the original break several lots to the north of the Teck-Hughes "discovery" property. Hollinger has acquired an option on the Swanson ground covering the new showing and Dome has staked claims on each side of Hollinger.

Inspiration Mining and Development Co. has now staked ground on three sides of the Hollinger-Dome showings and Norman Vincent and others have also staked further claims on strike.

Practically no information is available as yet as to the importance of the new Hollinger strike, but, according to field men, the fact that Dome and Inspiration have seen fit to stake acreage adjoining suggests that the new find may be important. Rumor has it that Hollinger has found values running an ounce per ton. A number of Toronto mining men, including several well known prospectors, are understood to be going into the area over this week end, following the new strike.

May Go Underground

On the main break, reports suggest that Teck-Hughes has been getting some definite encouragement in its big drilling programme and that consideration may be given to going underground shortly. If such a decision is made it would undoubtedly put a spur on activity through the whole area.

A large number of Canada's largest mining companies are now represented in the Barraute-Carpentier field. Hollinger has added a new north property to the large property it has already under development in the area northwest of the Teck discovery property. Inspiration Mining and Development Co. also has two groups with its new north group added to the property held to the southeast of the Teck property on strike. The original group is being investigated by Bralorne Mines under an examining option.

Completes Assessment

Pioneer has completed enough diamond drilling for assessment purposes on their Barrentier property adjoining Teck-Hughes and are now awaiting Teck results before laying out a further programme of work. Much of the Barrentier property is swamp covered and it has been difficult to tell if Pioneer's work has been in the vicinity of the Teck extension. Pioneer's work has been relatively limited and only a couple of small showings have been drilled so far.

Sylvanite Gold Mines has taken on what is known as the Morasse ground where a showing of free gold has been located. The Morasse ground is in an outlying sector and may represent a third parallel break. Surface work is now proceeding on this property and diamond drilling will be carried out if results encourage.

Said Oversubscribed

The only publicly-financed operation, Vincent Prospecting Syndicate has had its offering oversubscribed and Vintnor Barraute Gold Mines has been formed to take over the property with a capital of 3 million shares of which a million go to the vendors for the property.

A firm underwriting for $150,000 is stated to have been secured involving approximately 1.5 million of the unissued treasury shares. The agreement calls for a minimum of $1,000 a month to be paid into the company's treasury.

Unitholders of the Vincent Prospecting Syndicate will be entitled to 700 shares in the new company for each unit held, subject to pooling restrictions. Directors of Vintnor Barraute have not yet been announced but they are expected to include John Partanen, one of the vendors who was responsible for much of the staking in the main sector of the Malartic area, and Norman Vincent of the Vincent Prospecting Syndicate. It is expected that the financing interests will be represented by two representatives on the board of directors.

Cash Assets Rise For Stadacona

Liquidator's Reports Show $189,098 Improvement Over 19-month Period

A $189,098 improvement in the liquidation position of Stadacona Rouyn Mines is shown in the official report of the liquidator George Duclos covering the 19-month period from Nov. 30, 1939, to June 30, 1941.

As at June 30, 1941, liquid assets totalled $238,762 against current liabilities of $127,673, leaving working capital of $111,089. On Nov. 30, 1939, current assets had totalled only $92,452 against current liabilities of $170,460. Among current liabilities, the chief change is a decrease in accounts payable from $156,759 to $112,719.

Privileged Claims Paid

Nearly all the privileged claims have now been paid off but there is still a balance of around $100,000 of unsecured creditors whose claims cannot be paid off until the validity of the overissued notes has been established.

The question of the validity of the overissued notes, which are said to be outstanding in the amount of $2.4 millions against an originally authorized $200,000, is expected to come before the court early this fall. Status of shareholders will continue to remain obscure until the position of the noteholders has been legally established.

If the court decides the notes are invalid, the equity of the shareholders will be correspondingly enhanced; if the notes are legal, there would appear to be not much equity left for shareholders in any reorganization.

Wants Certificates

Mr. Duclos is again issuing an appeal to shareholders to send in their certificates to the liquidator's office with a receipt to be issued in return. Several different stock issues have been in circulation and it is stated to be necessary for stockholders to turn in their certificates to determine the total number of shares outstanding. No trading in Stadacona shares has been permitted in Quebec since Dec., 1940, when an order issued by Adolphe Routhier, registrar under the Quebec Securities Act, restrained brokers in that province from trading in shares and notes of the company.

According to Mr. Duclos, the ore position of the company has shown a considerable improvement during the period of the liquidation with reserves now approximating 700,000 tons. The mill is currently treating around 450 tons daily. Gross production in the 19-month period ended June 30, 1941, was $1,162,225. Net revenue was $1,159,037 after mint charges and marketing costs of $13,312 and after including sundry revenue of $10,124. Gross operating profit for the period was $283,584 after deducting $409,610 for mining costs, $188,248 for milling charges, $195,846 for development and $81,748 for general charges.

Of the $283,584 gross operating profit, $34,017 was taken by capital expenditures, shaft sinking absorbed $31,189 with other charges taking up $29,281. The balance of $189,098 represents the improvement in the working capital position noted above.

Privateer Drive To Open Prident

Crosscut From Privateer No. 6 Level Will Give 420 ft. More Depth

From Our Own Correspondent

VANCOUVER. — Privateer Mine plans to tie in the nearby Prident operation in its next major exploration programme, according to President D. S. Tait of Privateer.

Mr. Tait points out that downward extension of high-grade ore in the Prident for 125 ft. below the first exploration level has been proved.

This development will involve the running of a crosscut for 1,180 ft. from the present face of No. 6 level of the Privateer mine to explore the downward continuation of the Prident ore bodies.

The new crosscut will give 420 ft. additional depth on the Prident. Besides being the most economical way of developing the Prident by eliminating the need for sinking, this long crosscut will save expense by providing a direct underground passage for Prident ore to the mill. The development will also make it possible to explore much of the ground between the Prident and Privateer ore bodies.

Mining Enquiries

Canadian Malartic

I notice that the quarterly profit of Canadian Malartic Gold Mines was down somewhat in the three months ended June 30. Does this represent a change in trend or would you expect some improvement in the future?

—

The $84,937 operating profit of Canadian Malartic Gold Mines for the three months ended June 30, 1941, was not below normal; the $98,796 operating profit for the previous three months was a little higher than the average.

With an increase in milling capacity from 750 to 1,000 tons daily scheduled to come into effect next month, it appears likely that operating profits will be stepped up materially if lower grade ore or higher costs do not cut too severely into the margin of profit. As pointed out by the mine manager to The Financial Post, recently, an increase in the cost-of-living bonus, for instance, can be an important item if the margin of profit is not very high.

One of the encouraging factors in the Canadian Malartic situation is the way ore reserves have been showing a tendency to increase in recent years. The increase last year alone amounted to 70%. Further development of the big 708 ore body may result in a further increase in ore reserves this year in spite of the higher milling rate being placed in effect.

Noranda Mines

How has the war affected the earnings of Noranda Mines? Does it seem to be maintaining its position at the present time?

—

In spite of the exigencies of war and higher taxation, Noranda Mines has been able to maintain its earnings over the dividend rate of $4 a share per annum with $2.40 a share earned in the first half of 1941, compared with $2.31 the same period of 1940.

Increased taxation being experienced by Noranda this year is being offset at least in part by higher income from subsidiary companies. Recently it was revealed Noranda has a very substantial interest in Kerr-Addison Gold Mines, from which increased dividend income can be expected in the next few years. Waite Amulet, Compania Minera La India, Aunor Gold Mines and Proprietary Mines appear to be other sources from which the company can expect higher dividend income soon.

Ore reserves have been maintained by Noranda around 15 years milling requirements. Mine earnings, of course, remain the company's chief source of revenue. With the current United States demand for greater production of base metals from Canada's mining industry, it is possible that further steps may be taken to increase output by Noranda and other producers, but there has been no hint in this regard as far as Noranda is concerned so far.

International Nickel

Can you give me some idea on the position of base metals in general and International Nickel in particular after the present war? With Inco shares forming a large proportion of my investment portfolio, I am greatly interested in any information you can give me.

—

Some experts on the use of base metals are inclined to paint a rather gloomy picture for the outlook of Canadian base metal mines after the conclusion of the war. These experts suggest that supply of metal at that time will far exceed any possible demand for two reasons. First, there will be a tremendous volume of secondary or scrap metal available and secondly, greatly expanded productive facilities might result in an output beyond the requirements of consumers.

It seems, however, that the situation may not be as serious as this. After the present war, reconstruction will have to be carried out. From the Canadian viewpoint, it is important to remember that metal prices now being received—for most base metals at least—are considerably below those existing in world markets. In fact, the prices are abnormally low even for peace-time. After the war, there might possibly be inflation. In that case, base metal stocks could conceivably be a serviceable hedge.

International Nickel Co., of course, enjoys a very unusual position. Being the dominant factor in the nickel-producing industry, it is in a position to regulate its production according to demand so that the price of nickel can be stabilized. After the last war, International Nickel Co. found itself with practically no peacetime uses for nickel. New uses were developed, however, and use of nickel has been steadily increased since that time with the one important exception of the depression. The company is, of course, an important producer of copper and low copper prices after the war might adversely affect earnings for a time.

Surf Inlet Profit Off Despite Output Rise

From Our Own Correspondent

VANCOUVER.—Despite increases in gross production amounting to $595,577, net profit of Surf Inlet Consolidated Gold Mines was $66,354, compared with $122,392 the previous year, President Robert L. Reed told shareholders at the annual meeting here.

Mr. Reed, of New York, was one of several eastern directors who came to the west coast for the meeting, others being Charles K. Moffly and Charles Mentsel of New York, and D. W. Partridge of Montreal.

All directors were re-elected.

Municipal Finances

Vancouver, B.C.—By mid-August, this year, the city of Vancouver had collected 83.36% of the current year's tax level, amounting to $9,021,111. In addition 29.72% of the total amount of delinquent taxes at the beginning of the year had been collected, a sum of $806,237. The percentage of the current tax level now in hand already exceeds total collections for 1936 when 81.51% of the levy was paid in by the end of the year. City officials are optimistic that this year's collection will exceed the record for recent years of 92.54% in 1938, which was nearly equalled last year with 91.78% of the year's levy.

* * *

Huntingdon, Que.—Tax rate for 1941 in the town of Huntingdon has been set at 15.0 mills, a rise of two mills from the level in effect in 1940 and 1939. The result of the increase is expected to bring a surplus to the town's accounts, which showed a deficit in 1940. The 15-mill rate was in effect from 1933 to 1938 inclusive, prior to the reduction to 13 mills.

* * *

St. Catharines, Ont.—Tax collections in 1941 to the middle of August amounted to 73.71% of the 1941 levy of $942,114. The current tax collections are 3.46% ahead of 1940 and 5.84% over 1939. Arrears of uncollected taxes outstanding at the beginning of the year amounted to $252,386 which have now been reduced to $130,799. The combined total of current taxes and arrears leaves $378,395 owing to the city on the part of taxpayers.

* * *

Ottawa, Ont.—Direct relief expenditures in Ottawa for the first seven months of 1941 show a decrease of 58.41% under the same period of 1940. Total expenditures for the seven months were $257,191 of which the government's share was $176,568 and the city's $80,623. The comparative figures for 1940 were total expenditures of $618,350 with the government carrying $457,179 and the city $161,171. In the month of July, 1941, $27,599 was spent as compared with $69,686 for July 1940. At the end of July, there were 458 families on relief compared with 1,286 families a year ago. These families represented 2,046 individuals this year as compared with 4,373 at the same date a year ago.

* * *

Bradford, Ont. — An increase of two mills has been authorized in the tax rate of the town of Bradford for 1941, and bringing the rate to 44 mills. Principle factors in causing the increased tax rate are the rise in expenditures of the Board of Education, and of the roads department. Revenues under the new rate are estimated at $21,794 against estimated expenditures of $21,717.

Monarch Applies For Charter Surrender

Application is being made for the surrender of the charter of Monarch Mines. All assets not already distributed are to be lodged with the Trusts and Guarantee Co. for distribution to shareholders who have not sent in their shares.

Basis of distribution of the company's assets is 17.36 shares of Chesterville Larder Lake and six shares of Bonetal Gold Mines for each 1,000 shares of Monarch Mines held. On final wind-up there will also be a small cash distribution.

Madsen Red Lake Gold Mines production was slightly higher in the second quarter:

Quarter ended:	Tons milled	Tons daily	Recov. per ton	Total recov.
June 30, 1941	36,433	400	$8.27	$301,373
Mar. 31, 1941	36,507	406	8.20	299,179

Week in Oils

From Our Own Correspondent

CALGARY. — Further restriction of Canadian motor fuel consumption, ordered by the Dominion Oil Controller this week will bring the available supply of prairie oil closer in line with indicated fall and winter demands. Every barrel of oil that Turner Valley and other Alberta fields can produce will have a market—and then some.

* * *

Forcing Development

The new rationing scheme, however, does further emphasize the necessity of stimulating Alberta oilfield development, in order that the current rate of production may be maintained or increased.

The newest Alberta government announcement is designed to enforce early drilling on all Crown Leases not now producing, whether they be leases granted by the Dominion Government prior to 1930, by the Provincial Government since 1930, or leases on school lands.

The order states that every leaseholder (there are many hundreds of them, holding many hundreds of leases) must have machinery and equipment suitable for carrying on drilling operations upon his lease and have drilling under way by Sept. 1, 1942. The penalty for failure to get drilling under way within a year from today, unless of course some special arrangement is made with the Departments of Lands and Mines, is loss of the lease.

Oil men recognize that there are too many cases of leaseholders tying up acreage for years, without undertaking development, and that steps should be taken to enforce development on these leases by the present leaseholders or by others.

* * *

Can't Be Done

However, their comment on the government's current order stresses two points:

(1) It is a physical impossibility to obtain either the drilling equipment or the crews to run them to drill more than a small fraction of the leases affected by the Order.

(2) Unless the Alberta Government takes steps to make the financing of oilfield development easier, it will be utterly impossible to obtain even a fraction of the money necessary to put even the available drilling rigs to work.

* * *

Extend Royalty Rule

With respect to this second point: the Alberta government has announced that the Order increasing the royalty payable to the government on Crown Lands will remain in effect for a period of 10 years, not five as previously stated.

Alberta Mines Minister Tanner explained thus: "The order setting the royalty rate for a period of 10 years instead of five will give investors a greater feeling of security and should result in increased activity."

The royalty-upping order was passed because the Alberta Government felt the people were "not obtaining a sufficient share from the development of its oil resources." However, in passing it and making it applicable to all Crown Leases, including those now producing or being drilled, the government broke hundreds of contracts between operators and royalty-holders—contracts that had been approved by the same government's investor-protecting Board, the Public Utilities Board.

The flow of public money for development of Crown Leases slowed to a trickle, and the number of Turner Valley drilling rigs dropped from 30 in May to about 20 now.

Oil men are vehement in their belief that if the Alberta government really wishes to aid the oil industry it should scrap the royalty increase rule altogether, and most certainly not extend its life.

* * *

Touched New Low

Four more wells reached completion last week in Turner Valley, leaving the number of drilling wells in this field at a low point for the year—just 17. However, three new ventures have since got under way, raising active rigs back to 20.

Newly completed were Calmont Northwest No. 4, in lsd 2 18-19-2w5; Argus Royalties No. 2, in lsd 3 25-19-3w5; Royalite No. 57, in lsd 2 7-19-2w5; and Royalite-Model No. 1, in lsd 1 22-20-3w5.

Royalite-Model showed an initial flow of four bbls. hourly, and stepped up to 13 bbls. hourly following first light acid treatment. Calmont-Northwest and Royalite 57 showed very small initial recovery, but were both producing about four bbls. hourly early this week, following initial light acid treatments. Argus No. 2 was still being cleared when this was written.

Spudded in last week end were Anglo Canadian No. 11, located on the Central Flank in lsd 5 25-19-3w5 and Southwest No. 6 on the Central West Flank in the centre of an 8-acre drill-site comprising lsd's 5 and 12 of 8-19-2w5.

Take New Hope At Arntfield

Drilling Results at New 925-ft. Level Suggest Improved Values

Officials of Arntfield Gold Mines are hoping that diamond drill results secured on the new 925-ft. level of No. 3 shaft mean that the company will be able to open up a tonnage of better grade ore than the company has been able to mill in the past.

From diamond drilling carried out from the shaft crosscut and from a previous drill hole put down from the 600-ft. horizon, it now seems that the 2602 and 2625 zones are coming together at the 925-ft. level and definite information on this point is expected when the next level is opened up shortly.

Cut $10 Values.

A drill hole put out to the northeast from the shaft crosscut at the 925-ft. level has intersected the 2602 ore body with a width of 6 ft. running $10 a ton. The hole was still in ore when it was stopped and it will be continued later.

A drill hole put out north from the end of the shaft crosscut intersected the 2625 ore zone with a width of 10 ft. running $5.16 per ton. This hole is 65 ft. to the east of the hole from the 600-ft. level which gave $6.51 a ton across a width of 11 ft.

To Continue Crosscut

It is expected that the shaft crosscut will be continued to the two ore zones at the 925-ft. level next week if no unexpected difficulties occur. Water has been somewhat of a difficulty due to a temporary shortage of pumping capacity. Drilling is to be carried out from the station at the 1,025-ft. level when pumping equipment now at the property is installed there.

On the 625-ft. level there are the two ore bands with lengths of approximately 100 and 125 ft. The same condition holds on the next level where the north band was intersected 20 ft. wide grading $7. This band has been drifted on for 80 ft., 7 ft. wide in the drift, with drifting continuing toward a good drill intersection out further to the east.

Mining at No. 3 Shaft

Mining is going on at the No. 3 shaft but chief exploratory development is now being centred at the No. 2 shaft.

The mill is currently handling 200 to 225 tons daily and the tonnage is expected to be stepped up to around 300 tons daily when some of the new lower levels at the No. 2 shaft have been more fully opened up. When milling was suspended previously, practically no ore remained available. Since then 25,000 tons have been milled and 50,000 to 75,000 tons have been placed in reserve.

Company Reports

Trust & Loan Co.

Trust & Loan Co. of Canada reports gross income of £128,965 for the year ended March 31, against £130,866 in the previous year. This marks continued betterment in the financial reports of this company, largely due to better operating conditions in western Canada.

Considerably greater provision for taxation in the United Kingdom and Canada, however, lowered earnings, after all charges except "excess" profits taxes, to £28,578 from £40,969 last year.

After transferring £20,000 for contingencies there was a balance of £35,847 left at the end of the year, which is subject to "excess" profits tax if any is levied on the companies earnings.

Debentures outstanding were reduced to £384,951 from £506,218 at the end of the previous year. Cash was reduced to £49,494 from £59,559 and temporary investments declined to £185,494 from £212,053. Mortgage investments in Canada were reduced by £99,716 to £1.7 millions.

Revenue Account
Years Ended March 31

	1941 £	1940 £
Gross income	128,965	130,866
Less: Expenses	29,895	28,945
Deb. interest	17,379	22,047
Deb. stock int.	29,132	29,291
U. K. taxation	9,053	.....
Candn. taxes	10,763	4,824
Depreciation	2,027	2,027
Other charges	2,138	2,763
Surplus	28,578	40,969
Add: Prev. surplus	27,269	1,300
Less: Conting. trans.	20,000	15,000
Surplus forward	35,847	27,269

Cariboo Gold Quartz Mining Co. production was slightly lower in July:

1941:	Tons milled	Tons daily	Recov. per ton	Total recov.
July	11,065	357	$12.58	$139,177
June	10,534	351	13.63	143,605

Public Utility Earnings

Southern Canada Power

July:	1941 $	1940 $
Gross earnings	255,253	229,6[illegible]
Less: Oper. exps.	76,589	72,2[illegible]
Taxes	62,685	43,5[illegible]
Net earnings	115,979	113,5[illegible]
Int., depr. & divds.	113,713	111,1[illegible]
Surplus	2,266	2,4[illegible]
10 Months Ended July 31:		
Gross earnings	2,455,723	2,226,9[illegible]
Less: Oper. exps.	703,459	689,94[illegible]
Taxes	603,036	389,54[illegible]
Net earnings	1,149,228	1,147,4[illegible]
Int., depr. & divds.	1,126,963	1,117,34[illegible]
Surplus	22,265	30,13[illegible]

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Consolidated Balance Sheet of

CANADA PACKERS LIMITED

AND ITS SUBSIDIARIES
As At 27th March, 1941

ASSETS

Cash on hand	$ 23,463.50	
Accounts Receivable, less reserves	7,131,562.36	
Inventories of Products, Materials and Supplies on hand, on consignment and in transit—as determined and certified by the management and valued at the lower of cost or market less Reserves	10,384,095.12	
Life Insurance (cash surrender value)	414,478.10	
Investment in Shares and Bonds at book value (Market Value $203,169)	160,634.49	
Prepaid Expenses	299,650.78	
Sundry Advances, Mortgages, Deposits, Balances Receivable and Advances to Employees for Expenses, etc.	184,750.52	$18,598,634.87
Investments in and Advances to Subsidiary Companies, less Reserve:		
Investments	$ 340,003.64	
Advances	348,256.88	688,260.52
Fixed Assets—Land, Buildings, Leasehold, Plant and Equipment		21,745,047.09
Fixed assets which have been apppraised are shown at their depreciated appraisal values, and other fixed assets are shown at not exceeding cost— The appraisals were made by— Dominion Appraisal Company, Limited — 31st March, 1927. Canadian Appraisal Company Limited — 31st March, 1919, October, 1919 and 30th September, 1922. American Appraisal Company — 1st October, 1919.		
Goodwill		1.00
		$41,031,943.48

LIABILITIES

Borrowings from Bankers and Others (Secured $3,440,000)	$ 7,027,142.53	
Accounts Payable and Accrued Charges	1,877,535.22	
Reserve for Income, Sales, Municipal and other Taxes	1,674,653.67	
Accrued Bond Interest	18,457.89	
Dividend Payable on Common Shares, 1st April, 1941	250,000.00	$10,847,789.31
Collateral Trust Debentures—Authorized $6,000,000 whereof outstanding		2,250,000.00
With Interest and Maturities as follows—		
2¼% Debentures due 2nd January, 1942	$750,000	
2½% Debentures due 2nd January, 1943	750,000	
2¾% Debentures due 2nd January, 1944	750,000	
	$2,250,000	
Reserve for Depreciation		12,116,416.63
Surplus on Appraisals		5,617,482.73
Capital—Authorized and Issued: 200,000 Common Shares of no par value	$ 1,438,284.46	
Earned Surplus Account	8,761,970.35	10,200,254.81
		$41,031,943.48

Consolidated Earned Surplus Account

Balance at credit 28th March, 1940	$ 8,106,941.88
Net profit for the year	1,555,028.47
	$ 9,661,970.35
Dividends paid or payable for the year	900,000.00
Balance at credit 27th March, 1941	$ 8,761,970.35

War Speeds Development of Rare Elements

Mineral Production Broadening as Scientific Discoveries Create New Needs

By R. U. MAHAFFY
Staff Writer, The Financial Post

Every shot fired in this war uses fulminate of mercury for detonation. Zirconium powder is an ammunition primer. Rhodium plate goes into reflecting material for army signalling. Tracer bullets and shells for night firing have been made from a special alloy containing cerium elements.

Thus a number of rare elements—some of them but names in the atomic weight table a few years ago—have been ushered into prominence to meet the needs of a world at war.

What These Metals Mean

How this country is contributing and might contribute further to the Empire's bulwark of mineral supplies is a much discussed topic. And what will happen after the war?

Emphasis, of course, has been on the more common base metals, but rarer elements may not only prove of importance in wartime but in making the peace after the war. New war uses will almost certainly mean new and valuable peacetime uses.

In the last war manganese — in heavy demand in the steel industry—was replaced by selenium in taking the color out of glass. A tremendous demand sprang up for molybdenum for use in trench helmets, gun linings, armor-piercing projectiles. These materials, because of inherent advantages, were able to more than hold the ground gained in 1914-18.

This Dominion's contribution to the metallurgical and chemical industries in rare metals now comes chiefly from by-product production. Will this war set in motion a new train of scientific discoveries that may lead to utilization of some of the rare elements still locked up in the pre-Cambrian shield?

For example there is zirconium. Identified in 1789, this element has only recently come into widespread use. For brick, crucibles, laboratory utensils, it is used in an alloy called "Silvaz". For steel refining it is also in considerable demand.

Any metal with a real job to do in the metallurgical and steel industries has naturally increased in importance as a result of the war.

Zirconium in Canada

Prior to the war, Australia, India and Brazil supplied the bulk of the world's zirconium. It was also recovered from the black sands of Placer County, California. But zirconium, or cyrtolite, commonly occurs in Canadian pre-Cambrian pegmatites (rock masses consisting of large crystals imbedded in smaller ones).

Then there are those botanical-sounding elements, indium, columbium and tantalum. Indium occurs in a large number of minerals but the amount never exceeds one tenth of one per cent.

In 1941 a great majority of dentists use a gold filling containing 2½% of indium. Indium-treated bearings in heavy machinery are a new development. These bearings provide a hard, smooth surface which will not peel or chip, and which shows unusual ability to withstand the corrosive effects of some lubricating oils.

Columbium, another rare element, has made possible an enormous expansion in the uses of stainless steels. Wartime demand has enhanced the importance of such steels.

Find Both in Pegmatites

Nigeria has been the principal producer of columbite. In those peculiar rock masses called pegmatites, columbium and its close companion tantalum have been found in Canada.

The family of minerals known as rare earths occur in 150 or more minerals. One of these, caesium, has taken an essential place in the manufacture of high-grade radio tubes; and any metal that can make a contribution to communications at this time can be looked on as strategic.

The photo-electric cell used in talking pictures and various other important industrial and wartime uses depends on caesium and rubidium. Caesium has been mined in South Dakota and Maine in the United States.

Allanite, the commonest rare-earth mineral, is frequently seen in the granites and pegmatites of the Canadian shield.

Occur with Feldspar

While the finding of rare element minerals in the course of mining for feldspar has sometimes given rise to disappointed hopes of production on a commercial scale, nevertheless the common occurrence of these rare-element minerals in pegmatites over great areas of the pre-Cambrian in Ontario and Quebec has suggested that somewhere concentrations of commercial size might exist. This was the finding of H. V. Ellsworth, Federal Department of Mines, in his 1932 report.

The war might change the picture. If sources of supply of other minerals were cut off, some of the rare elements might be needed as substitutes. New methods of extraction might make commercial production feasible. An intensification in demand for one mineral might lead to some of the rare metals being turned out as substitutes.

Producing Nepheline Syenite

Nepheline syenite is a prewar development that shows what research and scientific advance can mean to the mineral industry. Less than 10 years ago the nepheline syenites of the Lakefield district were known to geologists, ignored by the ceramic industry. Now the deposit at Stoney Lake, near Lakefield, is being successfully exploited by American Nepheline Ltd., a subsidiary of Ventures.

Many factors were responsible for putting nepheline syenite over in the glass and related industries. Had it not been for the development of the magnetic separator, however, it is very likely that Blue Mountain would still be but a curiosity to summer visitors. For the magnetic seperator made it possible to pull out the injurious iron particles.

For the last few years Eldorado Gold Mines has been producing uranium—an element of the radium series. This element has secured an increasing acceptance in the ceramics industry for coloring.

Inco's Platinum Useful

The strategic importance of platinum is underscored in 1941 because of its use in the manufacture of sulphuric acid by the contact process. Sulphuric acid, as is commonly known, goes into the manufacture of explosives. Platinum also is used in gunnery and signalling apparatus, in fuse wires, detonators for explosives, and as a heating filament in radio tubes.

Platinum and its associated metals, palladium, iridium, ruthenium, are produced by International Nickel, perhaps the largest producer of these metals in the world.

Cadmium is valuable in making bearing metals for high speed combustion engines. It is turned out at Trail, B.C., and Flin Flon, Man., as a by-product.

Tungsten and Molybdenum

Tungsten and molybdenum have important metallurgical applications. Both are scarce in Canada. United States producers supplied over three quarters of world output of molybdenum before the war and Climax Molybdenum, it is understood, has been supplying all the British government's requirements.

This is a different state of affairs from what existed in World War I. In December, 1914, the English price of molybdenum concentrates rose to $1.32 a pound; compare this with today's prevailing New York price of around 45 cents a pound.

The United States, until recently at least, appears to have been self-sufficient in tungsten. Canada is making a more important contribution in tungsten output than she is in molybdenum. Tungsten is being produced by Columbia Tungstens Co. Ltd., Wells, B.C. Output goes to Atlas Steels Ltd. at Welland, Ont. Earlier this year "Smelters" announced that plans were proceeding for establishment of a small tungsten unit in the Hazelton district.

Other Important Metals

What other metals are important in the metallurgical and chemical worlds in 1941?

There is titanium. Leadership of lead paint, supreme through centuries, is now seriously threatened by titanium. Between 1920 and 1939 imports of titanium into the United States increased more than 500 times. Titanium finds rapidly expanding use in making glass, enamels, lacquers, paper, rayon, linoleums, white rubber, printers ink, plastics, tooth paste and face powder.

Shipments of titanium, called ilmenite in the ore state, have been made from St. Urbain and Ivry, Que. During the last Great War production of titaniferous iron ore from this part of Canada reached considerable proportions. Main supply of ilmenite now comes from British India.

Canada may well find an expansion of its mineral industry in new directions after the war—if only as a reward for its magnificent contribution in minerals to the Empire cause. But a new chain of events may also be set in motion; new frontiers of science may be crossed. And research, industrial resurgence, new channels of trade should open up demands for minerals not now exploited.

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Bonetal Gets Visible Gold In No. 2 or North Zone

From Our Own Correspondent

TIMMINS.—After drifting 65 ft. southwest of the shaft crosscut on the 175-ft. level at Bonetal Gold Mines, a zone carrying narrow quartz stringers mineralized with pyrite and showing visible gold has been opened up.

This represents the first work underground in the No. 2 or more northerly of the company's two ore zones. Work underground has been in ore in the No. 1 zone for several weeks.

Drifting to Southwest

Drifting is now to be carried 700 ft. to the southwest along the south edge of the No. 2 ore zone at the 175-foot level and close interval drilling will be done to the north to outline the indicated ore. Crosscutting has been carried 240 ft. south at the 400-foot level and crosscuts are to be run southwest and southeast to the No. 2 and No. 1 ore zones, respectively.

Surface drilling indicated the No. 2 ore zone for a length of 1,150 ft. with values contained in a section running as wide as 450 ft. Drilling intersections were in fractured greenstones, gold values occurring in quartz veins and veinlets over irregular widths. Visible gold was noted frequently in the drill cores.

Ore 15 ft. Wide in No. 1 Zone

On the 275-ft. horizon, the shaft crosscut entered the No. 1 zone at 425 ft. south and disclosed ore structure over a width of 15 ft. with car sampling returning grade varying from 0.20 to 0.71 oz. There is a strong quartz fracture striking in an east-west direction with cross fractures north and south into the silicified sediments. Drifting has been carried 105 ft. to the west and 115 ft. to the east. To the west the gold values are irregular with the first 50 ft. of advance showing good structure. The west face is in a faulted zone.

The east drift has disclosed strong structure and values, sampling of the first six rounds returning the following values: 0.35 oz. across 6.2 ft.; 0.13 oz. across 5.2 ft.; 0.16 oz. across 5.6 ft.; 1.43 oz. across 6 ft.; 0.41 oz. over 6 ft.; and 0.16 oz. across 6.2 ft.

Approach Rich Hole

The drift which will be carried east to the Broulan boundary is approaching a drifting intersection No. 13 which returned 0.796 oz. uncut or 0.234 oz. cut over a width of 20.5 ft. at 65 ft. above the level.

On the 512-ft. or bottom level, crosscutting from the shaft has been carried 400 ft. to the south through lavas and flows. The crosscut is now approaching the sediments in which the No. 1 ore zone occurs. As the latter is entered, drifting east and west will be carried out.

At 220 ft. south, the crosscut traversed 20 ft. of highly brecciated and silicified lavas, returning gold values up to 0.30 oz. This is along the indicated south flank of the No. 2 zone and is similar to the type of rock in which economic gold values had occurred persistently in the surface drilling intersections.

Prepare No. 1 Zone

Aggressive development of the No. 1 ore zone will now be carried out with ore and waste passes to be driven as drifting proceeds to prepare for production in the fourth quarter of the year.

Ore from development faces is at present being stock piled. Ore bins have been completed and a picking belt is now being installed. After sorting, ore will be taken to the Broulan mill for treatment. Broulan is increasing its mill to 500 tons a day from the current milling rate of around 400 tons. Additional equipment to raise milling capacity to 700 tons a day will be available from the Mace mine, if the increase is warranted by disclosures at the Bonetal mine.

Buffalo Ankerite Goes Deeper

Drill Results Show Better Conditions Lower Down

From Our Own Correspondent

TIMMINS.—Sinking of the big No. 5 or new main shaft at Buffalo Ankerite Gold Mines from the 2,350-ft. level to an objective of 3,300 ft. is now underway. Decision to continue this shaft a further 1,000 ft. was reached following diamond drilling results which suggested improved formation for ore bodies below the 2,350-ft. or present bottom level.

At 500 to 600 ft. below the present bottom level, drilling gave six ore intersections with values up to 0.50 oz. over widths of 3 to 5 ft. in quartz and tourmaline formation. A drill hole at greater depth corroborated these results with better values and widths.

Explore Outlying Claims

Exploration of the six outlying Buffalo Ankerite claims north of Aunor is to be undertaken. A crosscut is being advanced through the Wright claims on the 2,350-ft. level with about 500 ft. of crosscutting completed. A further 1,700 ft. will have to be traversed before the north claims are reached.

From the No. 5 west crosscut on the 2,350-ft. level, a long crosscut is being driven south to explore for the depth continuity of the Nos. 5 and 3 ore systems. The crosscut will be driven parallel to the west boundary with Aunor for a distance of 900 ft. which is the estimated location at depth of the north dipping No. 3 vein systems.

Most Work in "3" Zone

Mine development in recent months has been confined largely to the south section in the No. 3 ore systems. Lateral work is farthest advanced on the 1,200-ft. level in which three vein structures occur across the sheared zone. These are parallel, occurring in irregular lenses. A total length of 2,000 ft. of ore has been opened up averaging 3.5 dwt. across 7 ft. (A dwt. equals $1.75 at $35 gold.) Stoping and stope preparation is proceeding on 1,200 ft. of the ore lengths. The west face is now within 650 ft. of the west boundary.

Lateral work on the 14th, 15th, 17th and 18th levels has not been so far advanced with 1,000 to 1,200 ft. of exploration to the west boundary remaining. First drifting on the 2,000-ft. level, has not met with success. Recent advance has been in ore, however, with the structure dipping more flatly to the north and showing cross faulting. An ore body 250 ft. in length grading 3.25 dwt. across 5 ft. has been opened up with similar grade and width. The west face is now within 400 ft. of the west boundary.

Ore Position Maintained

Development disclosures in the north vein systems are stated to be maintaining the forward ore position of the mine. Close interval drilling is necessary following drifting to test for parallel structures in the wide shear zone.

Operating profit for the first six months of 1941 totalled $421,302 with net profit for the period estimated at approximately $175,000 or 25 cents a share after provision for taxation and write-offs for depreciation.

Operating results showed a decided improvement in the second quarter with operating profits totalling $251,545 compared with $169,757 for the three months ended Mar. 31, 1941.

Hudson Bay to Get Unit To Cut Roaster Losses

A new Cottrell unit is to be installed by Hudson Bay Mining and Smelting Co. in 1941, according to a report in the Engineering and Mining Journal. The new unit will reduce the higher roaster dust losses resulting from the greater tonnage of concentrates treated.

Altogether a slightly lower tonnage of zinc concentrates was treated by Hudson Bay in 1940 than in 1939, but due to a somewhat greater zinc content and better recovery in the zinc plant itself, the slab-zinc production was higher than in any previous year, and the average Purity of both the electrolytic and the four-nines-plus grade of zinc were the highest to date. The zinc residue stock pile was increased during the war.

Pilot Plant Not Erected

The intended erection of a pilot plant to treat zinc residue was postponed in 1940, due to general conditions and the necessity of undertaking more essential construction work.

Additions to the zinc plant during the year included two new roasters, two additional thickeners, more purification equipment and solution storage tanks in the zinc leaching plant; the installation of the fifth electrolytic plant circuit; the installation of the seventh generator set; additional storage tanks for electrolyte; and completion of a new 50-ton melting furnace in the casting plant.

All the plant enlargements were completed and in operation by December and production was increased during the month while maintaining the high purity of slab zinc produced.

The cadmium plant operated continuously during 1940, treating all the precipitates from the zinc purification plant. The copper smelter also operated continuously. The total production of gold, silver and copper from all sources was the highest in any year.

Sheep Creek's Veins In Ore

"81" Vein Particularly Impressive With 205 ft. of New Ore Showing

From Our Own Correspondent

VANCOUVER. — What Managing Director Henry Doelle describes as "a fine new ore body" has been opened 205 ft. long on Sheep Creek Gold Mines' "81" vein on the No. 5 level.

When Sheep Creek's annual meeting was held here, Mr. Doelle said that this ore body, while described at that time as "above average grade," was not included in the reserves estimated in the annual report recently issued.

Mr. Doelle says that the new ore shoot carried 0.708 oz. gold to the ton across an average of 3 ft. for the length of 205 ft. This compares with the average grade of 0.372 ounces as estimated for the 128,611 tons at May 31. Some allowance will be made for dilution in including the new ore shoot in reserves.

After a stretch of 50 ft. of waste material, the ore continues 47 ft. averaging 1.229 ounces across 2 ft. After another 50-ft. interval another 44 ft. of ore was opened averaging 1.09 oz. across 1.4 ft.

"83" Vein Also Responds

The company also reports that since the report was prepared excellent ore has been opened on the "83" vein on No. 4 level. After 86 ft., the face of this drift is still in good ore, averaging 1.7 oz. gold across 1.77 ft.

President Rolf Bruhn, addressing the meeting, said Sheep Creek's position today was as good if not better than ever before.

All directors were re-elected—R. W. Bruhn, C. E. Marr, H. E. Doelle, J. R. Pyper, A. H. Douglas, A. E. Jukes.

Cent. Porcupine Makes Discovery

Surface Showing Traced For Over 500 ft. — No Ore in Drilling

Surface exploration on the property of Central Porcupine Mines has resulted in the discovery of an ore zone in the northwest part of the property, The Financial Post is informed. The ferro-carbonate zone located has been traced paralleling the porphyry formation a distance of over 500 ft.

A trench put across this zone has returned an average of 0.12 oz. gold across a width of 13 ft. The individual assays from north to south are as follows: 4 ft. of 0.13 oz.; 2 ft. of 0.24 oz.; 4.5 ft. of 0.10 oz., and 25 ft. grading 0.05 oz.

The material of the zone is carbonate schist (Keewatin lava) with small quartz stringers, carrying a fair amount of pyrite. It is now planned to open up this showing with a series of further trenches across the zone at intervals along the strike, preparatory to diamond drilling.

Diamond drilling is still being continued in the southeast sector of the property. To date it is only possible to report favorable structural conditions, no ore having been intercepted. It is planned to issue a complete report when the drilling campaign has been completed. Work is under the supervision of Bruce Russell, B.Sc.

Aunor's Bottom Levels Revealing Fine Ore

From Our Own Correspondent

TIMMINS. — Lateral exploration on the new block of deep levels at Aunor Gold Mines continues to meet with important ore disclosures.

On the new 1,125 and 1,250-ft. levels, strong continuity of the upper level ore structures has been disclosed with over 1,000 ft. of ore now opened up on the 1,125-ft. level averaging better than mine average grade across an average width of 4 ft. The last 60 ft. of drifting to the west has disclosed widths up to 6 ft. or more grading better than a half ounce gold.

Drifting east on this level has now been carried to the east boundary and lateral drilling from the drift is under way.

Good Grade at 1,250

On the 1,250-ft. level, drifting has been carried 800 ft. to the west opening up 414 ft. of ore grading 0.492 oz. uncut or 0.33 oz. cut over an average width of 3.84 ft. The west drift is in the zone below, on rake, of the "1032" ore bodies on the 1,000-ft. level and potentially important ground is ahead. To the east, low values were secured for 450 ft. with the last 100 ft. in structure of mine average grade and width.

Drifting west on the 1,000-ft. level, which was discontinued at 1,000 ft. east of the west boundary some time ago to allow faster opening up of the two levels below, is to be resumed shortly.

Open 1,500 Level Soon

Lateral development on the 1,500-ft. level is to be commenced shortly. Diamond drilling has indicated the north dipping shear zone in which the ore occurs as steepening to 70 degrees north dip as against 55 degrees dip on the upper levels.

Limited exploration is being carried on for parallel or recurrent ore structures to the south or below the main ore zone. The No. 3 vein systems on the adjoining Buffalo-Ankerite mine have been drifted on close to the Aunor boundary on the 2,000-ft. level. An exploratory crosscut is being driven south from the No. 5 shaft of Buffalo Ankerite and parallel to the boundary on the 2,300-ft. level.

A total of $85,000 or $1.12 a ton was spent by Aunor on exploratory development during the first half of the year which resulted in some reduction of profit. The milling rate has been increased to 450 tons daily, however, and increased production and profits are anticipated in the last half of the year.

Bralorne and Pioneer Extending Operations

From Our Own Correspondent

VANCOUVER. — Bralorne and Pioneer, the two major producers of British Columbia's Bridge River camp, are both taking aggressive measures to extend their operations to other fields and during the past few months important developments in that connection have materialized.

Both companies are building small gold mills in the Bedwell River district of Vancouver Island, and Bralorne's Buccaneer property will soon be in production there. The Pioneer's Musketeer mill is now under construction.

Pioneer is also developing the Sherwood group of claims in the Great Central Lake district of Vancouver Island. It also has produced some antimony at Pinchi Lake, near Consolidated's important mercury operation.

Pioneer and Bralorne, neighbors at Bedwell River as well as in the Bridge River, are also exploring adjacent groups of claims in the Barraute district in Quebec.

Bralorne Stakes in Yalakom

Bralorne obviously intends to make the most of the new discovery area on Shulaps Mountain, Yalakom River district, north of Bridge River, and it has lost no time in blanketing the area surrounding the original discovery claims of Bill White, the young university student who originally staked in 1936 but the significance of whose find was not disclosed until assays were made this summer.

Austin C. Taylor, president of Bralorne, accompanied by Ira B. Joralemon, San Francisco, consulting engineer, have been making a personal survey of the ground on which Bralorne's manager, Don Matheson, had already staked some 200 claims. Negotiations are also understood to be under way between Bralorne and White, so that Bralorne may enjoy virtually a monopoly of the Yalakom's most promising area.

Recession of glaciers on Shulaps Mountain is said to have been primarily responsible for disclosing the rich discovery ore.

Mining Concentrates

Asnazu Gold Dredging recovered 4,137 fine ounces of gold worth $144,795 in the United States funds the three months ended Aug. 1, 1941, as against $134,085 in the preceding quarter and $114,170 in the same quarter of 1940. Production in the latest quarter was secured from 230,000 cu. yds. dredged.

* * *

Armistice Gold Mines is stated to have finished three drill holes in its current campaign with five more holes to be completed under the present contract. One hole will be a vertical test on a section which has flat-lying quartz veins reportedly similar to those in which Kerr-Addison is stated to have secured good results.

* * *

Arntfield Gold Mines is stated to have opened up 50 ft. of new ore in drifting on the 775-ft. level of No. 2 shaft. Assays up to 0.75 oz. have been secured with a considerable improvement noted over values indicated in drilling from the 625-ft. level. Where first encountered on the 775-ft. level, the ore body showed a width of 20 ft. grading $5.66 per ton.

* * *

Bulolo Gold Dredging estimated working profit for July was 7,545 fine oz. of gold or $264,075 in United States funds compared with $277,830 in June and $237,580 in July, 1940. July production of 12,892 oz. was secured from 1,524,000 cu. yds. of gravel dredged, compared with 14,067 oz. from 1,567,000 cu. yds of gravel the previous month.

* * *

Brock Gold Mines has appointed J. Graham, mine manager, to succeed J. T. Tatham, on active service.

* * *

Calder Bousquet Mines is starting a new programme of diamond drilling to test a drag-folded condition at the west end of the property where some values were indicated in previous work. Present contract calls for putting down four holes but this programme can be augmented if desired. Two holes will be put down in the shaft area and two others to investigate the diorite intrusives at the north section of the company's claims.

* * *

Duquesne Mining Co. has completed its shaft to a depth of 500 ft. with the station at the 500-ft. horizon being cut the latter part of last week. Crosscutting at 375 and 500-ft. levels is to start simultaneously on completion of station cutting. Indications suggest that the ore zone is 70 ft. north of the shaft at the 500-ft. horizon, and this distance will be traversed in about two weeks time with no unexpected interruptions. A little greater distance will have to be crosscut at the 375-ft. level due to the south dip of the ore zone.

* * *

Halliwell Gold Mines expects to continue shipments from its fluorspar property at Madoc, Ontario, until freeze-up. Following a further examination the company dropped its barite property in Nova Scotia as officials considered it doubtful that the property could be developed economically. Share interests have been retained in Morris Kirkland Gold Mines, in bankruptcy, Calumet Mines and Dumico Gold Corp. Dumico's property has been taken over by Central Duparquet Mines which is being financed by Beattie Gold Mines. Halliwell balance sheet as at Dec. 31, 1940, shows current assets of $46,771 with no current liabilities. Investments were carried at $97,984.

* * *

Lake Geneva Mining Co. has now resumed operations at its property with regular production expected shortly. A contract has been made for sale of lead and zinc concentrates in the United States. With ore reserves of 73,700 tons indicated and proved by previous work, no extensive programme of exploration is now planned.

* * *

Mic Mac Mines is stated to have started construction of its 500-ton mill on its property in Bousquet twp., Quebec. Finances are being provided by American Smelting and Refining Co.

* * *

Pato Consolidated Gold Dredging recovered 17,241 oz. of gold from 3,697,000 cu. yds. dredged and a further 2,303 oz. with hydraulic units in the three months ended June 30, 1941. Value of production in United States funds was $684,040 for the quarter compared with $941,220 the previous quarter and $1,087,415 in the corresponding quarter of 1940.

* * *

Slave Lake Gold Mines has received payment for Nov. 15 option installment covering 50,000 shares. Balance of agreement covers 300,000 shares. Issued capital is now 2,572,000 shares.

* * *

Springer Sturgeon Gold Mines has shipped a diamond drill to its property in Newfoundland for the purpose of establishing tonnage of a known chrome deposit. Previous exploration indicated ore of commercial grade if a sufficient tonnage were outlined.

* * *

Shenango Mining Co. states that the first of its two new veins has now been established for a length of 100 ft. averaging about 4 ft. in width. A channel sample across 3 ft. is stated to have averaged $30.80 per ton. Further work and sampling on both new veins is planned.

* * *

Wilson Red Lake Gold Mines is now carrying out a programme of diamond drilling on its property of 22 claims located in East Bay sector, Red Lake area.

Hedley Mascot Profit Down

From Our Own Correspondent

VANCOUVER.—Although milling of some lower grade ore reduced the average grade in the second quarter below the level of the first quarter, Hedley Mascot Gold Mines in the first half of 1941 earned $134,620 or 5.93 cents per share, well above dividend requirements of 4 cents a share. This compared with $143,601 or 6.33 cents per share in the first half of 1940, according to a statement issued by President W. B. Farris.

Because it was found expedient to mill lower grade ore during the second quarter in the normal development programme, mill heads averaged 0.351 oz. against 0.448 oz. gold to the ton in the first quarter.

Ore reserves are being maintained.

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How Railways Keep War Effort Moving

Bottlenecks Are Avoided Despite Traffic Increase

By JOHN LANGDON
Eastern Editor, The Financial Post

There are few key points of vantage to get a single continuous closeup of the full extent of Canada's war effort.

There is none in the great industrial areas, nor in the military camps across the country, where you are too apt to find "you can't see the woods for the trees."

But in the great railway terminals, such as at Halifax, Montreal, Toronto, Winnipeg and Vancouver, you get a dynamic bird's-eye view, full of color and action.

Here, at all hours of the day, rain or shine, freight trains go rumbling through the yards. Some wait their turn to move on complete to a distant point. Others are immediately taken in hand by the yard crews who, with the help of small, puffing engines, rearrange the cars to go on to various destinations, or to go to sidings at the terminal point for delivery.

These trains may carry materials for war plants—coal, steel, copper, lead or the thousand and one items used by industry. They may be carrying munitions or other supplies of war to seaports for water-borne shipments to all parts of the Empire. It may be goods for the United States or supplies for our own purely domestic needs.

Whatever it is, this constant movement of freight traffic never stops. If it did Canada's war effort would also stop.

The two great transcontinental rail systems — Canadian National and Canadian Pacific — have performed unprecedented feats in handling the country's wartime traffic. It is not spectacular work. And yet everything the Dominion has done in this war up to now has been made possible largely by the two railway systems.

Set Up Amazing Record

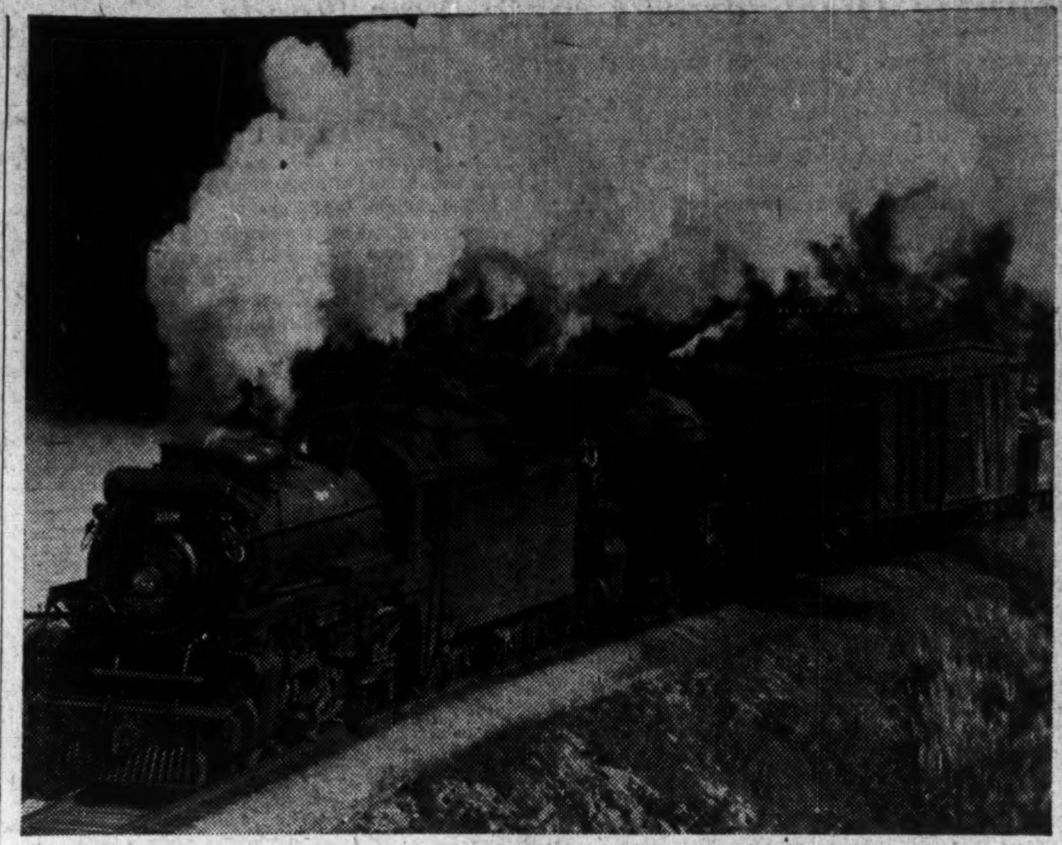
The extent of a railway's activities is judged by the number of miles operated per ton of revenue freight.

Here is the record of Canada's two great systems after two years of operating under wartime conditions.

Total of revenue freight ton miles reported by the Canadian National Railways in 1940 was 48% greater than in 1938—the last full year of peacetime traffic conditions — and 24% over the returns of 1929, the previous peak year.

The experience of the Canadian Pacfic was along parallel lines. Revenue freight ton miles on the privately-owned system last year were 32% over the returns of 1938 and 8½% above those for 1929.

Despite this extraordinary increase, traffic has been handled promptly and expeditiously. At no time has Canada's war effort lagged because the railways were unable to move raw materials or the finished product.



Canada's rail transport system has been a vital asset in keeping the nation's war effort under way, especially in the realm of supply and production. Operating more efficiently with less rolling stock than before the war, the railways have met vastly increased demands on their services.

What the railways have accomplished in the past two years provides a clue of what lies before them.

Increasing productivity of wartime industries, and the large volume of export to the United Kingdom and of traffic interchanged with United States railways, presage a flow of traffic far beyond anything on record.

To the south of us a similar situation exists and the United States Government is wondering how its railways will be able to cope with the situation. A shortage of rolling stock is foreseen. Officials have warned industry of possible tieups in rail transportation this fall.

On this side of the border there have been no warnings. The Canadian National and Canadian Pacific are watching the rising volume of freight traffic and car supply situation with care, but not with concern. They know volume has not reached a peak, nor is it likely to do so for many months to come. With the equipment on hand and to be ordered, they hold to the view that they can handle all traffic offering.

Years of Preparation

This presents a marked contrast to the conditions which prevailed in the last war. Then Canada did not have two well-integrated railway systems. The great railway building era started in 1912 had not been completed when the country went to war. Terminal facilities were inadequate. Interconnecting facilities were not all that might have been desired. Equipment, too, was limited and delays in deliveries frequent.

Canada's railway system today is infinitely superior to what existed 25 years ago. It is like comparing a 1941 Ford V-8 with a Model T.

There have been many changes, especially in the last 10 years, which have had a tremendous influence on operations.

The last 25 years have brought such developments as:

1. Fewer physical units of equipment in operation, but more economical and able to handle a much larger volume of business at no extra cost.
2. Heavier motive power units are now in service.
3. Terminals and equipment have been modernized.
4. The average weight of rail used by Canadian lines is considerably heavier, lowering operating costs and permitting greater load utilization.
5. In 1914 a few hundred miles of track were rock-ballasted; today there are several thousand.
6. Equipment has been standardized, permitting the railways to use each other's equipment if necessary and, moreover, to use American equipment in the event of a shortage.

Awaited Opportunity

One thing needed to make these improvements most effective and the one thing lacking up to 1939 was an adequate volume of traffic. Previously Canada's railways went through one of the worst business depressions ever recorded.

The traffic developed, but not in the way expected. War created the opportunity for the railways to show the value of the improvements they had carried out in peacetime.

During 1939, for example, the Canadian Pacific Railway moved as much traffic as it did during the peak of the last wa;. Last year it moved nearly 10% more freight than in 1917, when the nation's effort reached its greatest scope in the 1914-1918 war.

What this war meant to the railways in traffic and what classes have shown the greatest increases are set out in the tables below. It shows volume and the type of revenue freight traffic handled by the C. N. R. and the C. P. R. from 1938 to 1940.

On the Canadian National lines revenue freight tonnage carried increased from 40.5 million tons to 55 million tons, a gain of over 37%.

During the like period the Canadian Pacific reported an increase in revenue freight traffic from 30.5 million tons to 36.7 million, an advance of better than 20%.

It should be remembered that these figures indicate a situation which the public is not entirely familiar with, namely, that the Canadian National direct line to Halifax means a greatly increased volume of business in comparison with the Canadian Pacific, whose lines are not so fortunately located.

REVENUE FREIGHT TRAFFIC

	C.P.R.	C.N.R.
	—Thousand ton miles—	
1940	16,027,797	21,532,181
1939	14,036,898	17,084,259
1938	12,134,948	14,505,234
1937	11,602,289	15,165,051
1936	11,424,147	14,813,796
1929	14,768,758	17,355,709

REVENUE FREIGHT TONNAGE—BY TYPE

Canadian National

	1940	1939	1938
Agricul.	10,227,484	9,952,726	8,366,494
Animal	1,159,641	1,061,770	1,008,372
Mine	19,612,839	15,827,070	14,265,955
Forest	6,755,680	5,086,033	5,104,985
Manuf.	17,304,588	13,763,685	11,831,860
Total	55,060,232	45,691,284	40,577,666

Canadian Pacific

	1940	1939	1938
Agricul.	9,133,776	9,896,795	8,637,484
Animal	757,153	692,762	659,545
Mine	14,238,096	12,370,753	11,649,699
Forest	3,963,578	3,114,210	3,055,753
Manuf.	7,754,112	6,176,766	5,689,057
Total	35,906,715	32,251,286	29,691,538
L.C.L.	839,231	778,776	779,577
Total	36,745,946	33,030,062	30,471,115

Carry More With Less

This huge increase in the volume of traffic demonstrates the great efficiency of the Dominion's railway system. There is actually a smaller amount of railway rolling stock in use today than was the case in 1929, when the railways set their previous traffic records.

Before equipment passes out of use—long before—the railways must estimate their anticipated requirements so that at all times there is enough equipment in good working order to take care of traffic needs.

Vital Needs Come First

When Canada entered the war in the fall of 1939 one of the first things the Dominion Government did was to place about $25 millions at the disposal of the two railways for additional equipment.

The vital importance of the railways in the war economy was plain and the Government took action to see that this basic need was fulfilled, even before plants began to turn out war materials.

In the last two years the Canadian Pacific and Canadian National have spent $50 millions on new rolling stock.

Yet the net addition to the capital account of the two systems in that period amounts to less than $8 millions.

Where have the other $42 millions gone? The money was spent. The railways got the equipment. It is in everyday use.

In the two years, however, a large amount of railway rolling stock was sent to the scrap heap. Moreover, in 1939 the Canadian Pacific Railway took the occasion to write off $7.8 millions of equipment which it considered as no longer having any value.

Balance Sheet of Purchases

The "balance sheet" of railway equipment purchases by the two railways for 1939 and 1940 follows:

EXPENDITURES ON EQUIPMENT

	C.N.R. 1940	C.N.R. 1939	C.P.R. 1940	C.P.R. 1939
	millions of $		millions of $	
Purchases	17.1	9.4	13.3	10.0
Betterments	0.05	0.7	0.7	0.5
Retired	—8.3	—8.5	**	**
Transfers	—0.2	..	**	**
Net	8.6	1.6	5,431,372	—7,837,632

**Not available.

Plenty for Money

What the railways received for their $50 millions of expenditure is set out in detail in the table below. Equipment purchases by the Canadian National have been greater than those for the Canadian Pacific, reflecting, in part, the heavier traffic conditions on the Government-owned line:

NEW EQUIPMENT ORDERED

	C.N.R. 1940	C.N.R. 1939	C.P.R. 1940	C.P.R. 1939
Locomotives	25	..	35	29
Coal cars	—	—	550	1,300 (Coal cars to Gondolas, bracketed)
Coal cars	..	..	250	
Box cars	2,765	1,950	500	
Auto. cars	..	..	150	
Con. vans	15	25	25	
Coaches	4	..	50	
Gondolas	..	..	200	
Baggage cars	25	60	10	..
Refrigerators	60	40	...	..
Mail-express	5	5	..	10
Flat cars	500	..	..	..
Ballast cars	150	..	..	..

Equipment More Efficient

While the railways have done a magnificent job in handling the traffic of the past two years, what of the next year? Is the railway rolling stock used to the utmost and a shortage of equipment likely to develop in the months immediately ahead as traffic continues to grow?

Between 1929 and 1940 the number of passenger-freight locomotives in use on the Canadian National system declined nearly 20%. The decrease on the Canadian Pacific was much the same.

Taken collectively the two lines at the beginning of this year had 4,270 locomotives.

These units handled nearly 20% more freight traffic last year than was the case in 1929 when the two systems had 5,239 locomotives in operation.

The more efficient use of the freight equipment itself is seen in the fact that at the end of 1940 there were on both lines 163,049 units; in 1929 there were 215,277.

Equipment on Hand

The number and types of rolling stock equipment in service on the two transcontinental systems at the beginning of this year follow:

ROLLING STOCK EQUIPMENT

C.N.R.

	1940	1939	1938	1929
Locomotives—				
Pass.-Freight	2,092	2,088	2,135	2,526
Switching	448	452	465	553
Total all types	2,562	2,562	2,622	3,096
Freight Equipment—				
Box cars	63,782	63,090	66,066	85,965
Flat cars	4,878	4,573	4,925	8,931
Stock cars	3,080	3,233	3,252	5,071
Coal cars	13,186	13,099	13,159	16,391
Tank cars	153	155	159	220
Refrigerators	2,945	3,269	3,381	3,676
Others	1,419	1,484	1,502	2,910
Total	89,443	88,903	92,444	123,164

C.P.R.

	1940	1939	1938	1929
Locomotives	1,708	1,767	1,904	2,143
Freight cars	73,606	73,903	79,002	92,113

It is impossible to say what will be the future trend in freight traffic for the duration, and what type of equipment may be needed. As new war plants come into production, it is to be expected manufactures will gain sharply. But as industry produces more its requirements become greater, especially for materials which are normally classified by the railways as mine and mine products, forest and forest products, etc.

Naturally there is a limit to long-term planning. Plans have to be made largely as new conditions arise.

Problems of supply and production must be met in filling needs, such as the current difficulty in getting steel for new equipment and repair of old.

Don't Await Shortage

This past month R. C. Vaughan, newly-elected president of the Canadian National Railways, announced his company would buy $20 millions of new equipment.

This business has not been placed. But it will be contracted for in time, so that deliveries will be made—probably early in the new year—to take care of replacements as they become due and to care for additional requirements.

No official announcement has been made by the Canadian Pacific Railway as to new equipment purchases. Undoubtedly some word will be forthcoming shortly as the needs of both systems run parallel and the Canadian Pacific, like the Canadian National, does not intend to be caught napping by any shortage of equipment.

Though the United States may be worrying about the ability of their lines to carry the volume of traffic anticipated this fall, the Canadian National and Canadian Pacific are confident of their ability to meet every need.

They see no prospect of a bottleneck in the machine that keeps Canada's war effort moving to victory.

EXCHANGE MEMBER
From Our Own Correspondent

MONTREAL.—D. E. Stewart, of D. E. Stewart & Co., Toronto, has been elected a member of the Montreal Stock Exchange.

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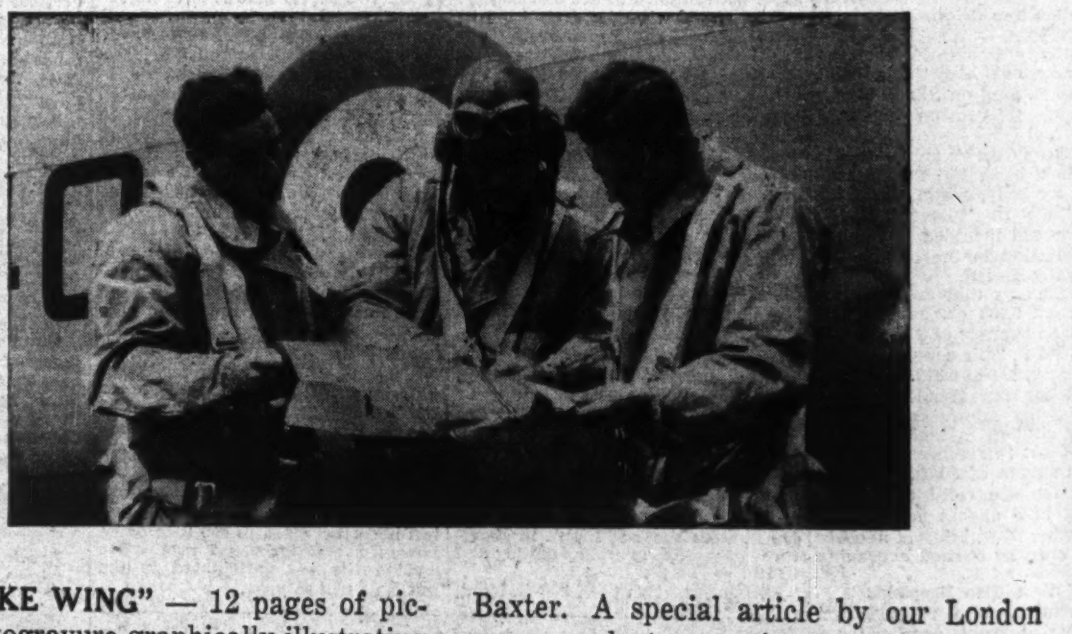

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